

ORIGINAL

BEFORE THE INDIANA GAMING COMMISSION

PUBLIC MEETING  
AFTERNOON SESSION

RECEIVED

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TRANSCRIPT OF PROCEEDINGS

INDIANA GAMING COMMISSION

DATE: June 30, 1995

PLACE: Westin Hotel - Grand Ballroom #5  
50 South Capitol Avenue  
Indianapolis, Indiana

REPORTED BY: Bobette Jo Bedinger, Notary Public

MEMBERS OF THE COMMISSSION

Alan I. Klineman, Chairman  
Thomas F. Milcarek  
Dr. David E. Ross, Jr.  
Donald R. Vowels  
Ann Marie Bochnowski  
Robert W. Sundwick

ALSO PRESENT

John J. Thar, Executive Director,  
and Members of the Staff

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1 MR. KLINEMAN: Okay. If you  
2 would please come back to order. Let the  
3 record show that all of the Commissioners  
4 are present and we have a quorum.

5 First, let me outline what the  
6 procedure will be this afternoon. It's  
7 indicated by a resolution this morning that  
8 we intend to try to grant two licenses down  
9 in the southeastern corner of the state. I  
10 thought we would proceed as follows: We  
11 would proceed with the applicants in  
12 Switzerland and Ohio Counties first. We  
13 will try to make a decision on those  
14 applicants and award one license. We would  
15 then move into Dearborn County after a  
16 recess, and we would then consider the six  
17 applicants in Dearborn County.

18 As to the first three, we will  
19 have whatever discussion needs to be had,  
20 we'll have any questions propounded to any  
21 of those three applicants, and we will then  
22 try to make a decision. As to the Dearborn  
23 situation, the six applicants, we will,

1 again, have a discussion, ask any questions  
2 that we need to ask of those six applicants.

3 We will then have sort of a  
4 preliminary primary, and I have suggested  
5 that each of the Commissioners receive three  
6 votes, and we will attempt to move the  
7 candidates, some candidates into the finals  
8 by implication, of course, so the candidates  
9 would then not be involved in the finals.

10 As I say, each of the Commissioners will  
11 have three votes. So, it isn't necessarily  
12 that if one candidate receives even a  
13 majority to move into the finals, it doesn't  
14 mean that that has disposed of the question  
15 of awarding the license. And we will try to  
16 move the three candidates who had the  
17 highest number of votes at the primary into  
18 the final election procedure. So, unless I  
19 hear any objections from my fellow  
20 Commissioners as to that procedure, we will  
21 attempt to proceed along those lines.  
22 Hearing on, that's the way we will proceed.

23 First, Mr. Thar has some

1 additional material which has come in, I  
2 guess, very recently.

3 MR. THAR: As recently as five  
4 minutes ago, the quest is never ending, the  
5 Commission has already received, this was  
6 received about five minutes ago, the  
7 Commission has already received a letter  
8 which was in your packets indicating why a  
9 Switzerland County group of people do not  
10 want gaming in Switzerland County. Attached  
11 to that now is a cover letter and also some  
12 signature pages submitted by Pete, from what  
13 I can tell it's either Turnish or Furnish,  
14 President of Vevay Town Council, lay member  
15 of the Switzerland County Administerial  
16 Association. That cover letter has been  
17 described to you, and it will be not be  
18 passed to the Commission. It's available  
19 for you here.

20 In addition this morning and then  
21 this afternoon we received from Rising Sun,  
22 Indiana, that instead of going with a tiff  
23 financing of any improvements to Highway 56,

1 State Highway 56 from Rising Sun to the  
2 Dearborn, Ohio County line, that each of the  
3 applicants, we have received a letter from  
4 each of the applicants basically indicating  
5 the following: 2.5 million dollars will be  
6 given as outright grant to either of those  
7 two applicants selected. Four improvements  
8 to the highway. In addition, another 4  
9 million dollars will be given as an interest  
10 free loan for improvements to that highway  
11 of which Rising Sun will repay out of their  
12 infrastructure budgeting that they had shown  
13 to the Commission but only to the extent of  
14 not more than 50 percent of that budget per  
15 year.

16 In the event that the company  
17 would hold during that a five-year period,  
18 the remainder of the loan, if any, would be  
19 forgiven. So, as an alternative to the tiff  
20 funding for that project, they have come up  
21 with that. INDOT has indicated they believe  
22 that the cost would be in the area of 6.95  
23 million dollars to bring Highway 56 for that

1 distance from Ohio, Dearborn County line to  
2 Rising Sun up to what they call R-3 which is  
3 12 foot wide lanes of 8 foot shoulders on  
4 each side. That would, hopefully, conclude  
5 all of the information that has been  
6 submitted as submittal information to the  
7 Commission for their consideration. Again,  
8 you do not have all of that stuff, but it is  
9 here, if any Commissioner desires, to take a  
10 further look at it beyond that explanation.

11 MR. KLINEMAN: You may remember  
12 that there was some question after we talked  
13 to the INDOT people about the cost of the  
14 road that Mr. Thar has just discussed. The  
15 original estimate, I guess, was 2.1 million  
16 dollars and state highway, after they took a  
17 look at it, revised that figure to the  
18 figure that Mr. Thar has used, and as a  
19 result of that we have this additional  
20 agreement.

21 Anything further before we  
22 proceed? I thought we would proceed, maybe  
23 discuss, as I indicated, the three

1 applicants for Switzerland and Ohio  
2 Counties. The first applicant in order of  
3 the alphabet is Alpha Rising Sun, Fulton  
4 Landing Project. Does anyone have any  
5 questions concerning this project that they  
6 would like to ask the applicant at this  
7 time? I'm hearing none.

8 I guess we can start discussing  
9 what I call the project in Ohio County in  
10 Rising Sun. It is a project that has an  
11 estimated cost of 99 million dollars. It  
12 has a boat that would accommodate 2,500  
13 persons and 1,500 gaming positions. They've  
14 also indicated that they would build a 250  
15 room hotel and a 1,200 person auditorium.  
16 I, for one, find this to be a fairly  
17 attractive project. The only concern that I  
18 have that, the only concern that I have, not  
19 the only concern but one of the concerns,  
20 obviously, is the record that exists in  
21 Mississippi and the prior operations and the  
22 fact that that is probably still in  
23 operation, at least according to the most

1 current figures that we received, they are  
2 not doing too well. They did, of course, as  
3 has been done by several of the applicants,  
4 they did come up with a financing slash  
5 maybe equity position with the Bally group.  
6 And I guess when we finish the discussions,  
7 there was an indication that that financing  
8 would be in terms of the loan, but it would  
9 be made unconditional whether or not the  
10 Bally group had that position. Anybody want  
11 to discuss the Alpha Rising Sun group?

12 MS. BOCHNOWSKI: Well, the  
13 addition of the Bally group certainly  
14 produces this company. And I guess these  
15 newcomers in the field are going to be  
16 something we have to anticipate.  
17 Unfortunately, it makes it little difficult  
18 since that's the company.

19 MR. KLINEMAN: Anyone else want  
20 to say anything about this particular  
21 group? I thought they had a fine  
22 presentation. I think it's very explanatory  
23 what they have done. We do have a SPEA



1           anaylsis of all of the applicants in the  
2           southeastern corner of the state. Mr. Thar,  
3           are you on the right page to tell us where  
4           Alpha stands?

5                   MR. THAR:     Page 22 of Section 1.  
6           Basically, what that will give you is the  
7           summaries of the projects as they were at  
8           the time that we did the anaylsis. And, as  
9           you know, some of them have adjusted moving  
10          targets. As you go across, it will give you  
11          the figures as analyzed by SPEA based upon  
12          figures confirmed by the applicants for  
13          annual attendance, annual adjusted gross  
14          gaming receipts, annual admissions revenue,  
15          annual gaming admissions taxes, etcetera, as  
16          you go down the line.

17                   MR. KLINEMAN:    Okay. Well, if  
18          there's nothing further at this time about  
19          Alpha, we'll move on to Pinnacle which is in  
20          Switzerland County. They have a proposal,  
21          likewise it is attractive, and Switzerland  
22          County certainly is an attractive county.  
23          They are proposing a 296 room hotel, but

1           they likewise have had some problems in the  
2           past. They're proposing a 70 million dollar  
3           project, and they basically have the  
4           smallest boat that has been presented to the  
5           Commission at any time up to this point.

6                     According to the SPEA anaylsis,  
7           they are projecting less than the average  
8           attendance. And that, of course, then  
9           translates into less than the average income  
10          from the standpoint of tax revenues and so  
11          forth. There is, if you remember, the site  
12          is just east of the Markland Dam and that  
13          the access, which is something that we've  
14          talked about a lot, a lot of the access  
15          would be across the Markland Dam. We have  
16          the problem that the interstates are some  
17          seven or eight miles south of the Markland  
18          Dam, and you have to come in on some roads  
19          which have been classified as two-lane  
20          county roads either in good to fair  
21          condition to get to Markland Dam and come in  
22          that way.

23                     Anyone else have anything to say

1 about Pinnacle?

2 MR. THAR: I might make this  
3 point, Mr. Chairman. You made a comment  
4 that Pinnacle has had a problem in the past,  
5 and that may have been confused with another  
6 company. I don't believe that there's  
7 anything in the reports that would indicate,  
8 or in the presentation, that Pinnacle as a  
9 company, or Century Casino, or NGC, the  
10 primary interest owners in that operation,  
11 have had any type of problems. So, I think  
12 that simply may be a confusion with one of  
13 the other applicants.

14 MS. BOCHNOWSKI: It's hard not  
15 to.

16 MR. THAR: They do kind of blend,  
17 don't they?

18 MS. BOCHNOWSKI: Yes. I think  
19 that this is a strong company.

20 MR. THAR: NGC, it does provide,  
21 based upon the reports, a solid source of  
22 financing for the operation.

23 MS. BOCHNOWSKI: Right.

1 MR. KLINEMAN: Well, as I said,  
2 according to SPEA report, however, they do  
3 indicate not quite the volume that I think  
4 the other applicants in this area are  
5 showing, and that may just be a matter of  
6 them being very conservative. On the other  
7 hand, their boat is not particularly large,  
8 so they may be forecasting the volume more  
9 correctly.

10 MR. THAR: I believe to carry on  
11 with that upon what has been presented and  
12 born out in the SPEA reports, the Pinnacle  
13 project is the smallest project that's been  
14 projected in this area, probably is the  
15 smallest problem the Commission has looked  
16 at to date at 7 million dollars for the  
17 improvements they tend to do in Phase 1.  
18 And their project has put forth those  
19 intentions.

20 MR. KLINEMAN: Does anyone have  
21 any questions of Pinnacle, any corrections  
22 of myself, any additional corrections?

23 DR. ROSS: How large is the

1 hotel?

2 MR. KLINEMAN: Two hundred and  
3 ninety-six rooms. It does make it a  
4 destination point. If they're going to fill  
5 those number of rooms, one would think it's  
6 got to be operated as a destination.

7 DR. ROSS: The investment is  
8 considerably less than the other two in  
9 Switzerland County. Where is the  
10 reduction?

11 MR. KLINEMAN: I think it's in  
12 the other land facilities and the boat. I  
13 don't have the figure on the boat, but it's  
14 got to be a lesser expense than the others.

15 MR. THAR: If the boat is  
16 smaller, the cost is less. I think among  
17 the amenities they have pointed out during  
18 the course of their presentation is an RV  
19 park, walkways and a miniature golf course.  
20 The biggest part of Switzerland County's  
21 presentation represents Switzerland County  
22 already had a golf course and some other  
23 amenities. They didn't think, therefore, it

1 was necessary from a county point of view to  
2 put that into the project. But, apparently,  
3 some of the other Ohio County applicants are  
4 putting forth full size golf courses and  
5 retail centers and other things of that  
6 nature which Pinnacle has not put forth in  
7 their presentation.

8 MR. KLINEMAN: I thought it was  
9 positive that Pinnacle was talking about  
10 doing something with the (inaudible) and not  
11 letting it die on the vine or overwhelm them  
12 with development and different locations, so  
13 I thought that was pretty much a positive,  
14 not ignoring that particular aspect.

15 MR. VOWELS: I thought they were,  
16 the investors in that application were good  
17 people and, you know, these hearings are not  
18 a cocktail party. And we ask questions that  
19 may be devil's advocate type of questions,  
20 we generally know the answers to those but  
21 we like to see what the reaction is. But I  
22 think the applicant was a good applicant.  
23 My concern since the beginning of the

1 participation of the Commission, the  
2 Cincinnati market has always been described  
3 as the most lucrative market we would  
4 probably deal with, if not one of the most  
5 lucrative markets in the country. And I  
6 look at the numbers here and they just seem  
7 low. They could be realistic, in two years  
8 we could look back and see Pinnacle and  
9 everyone was inflated. My concern is  
10 generally looking at the numbers, and they  
11 just seem sort of a low anticipation of  
12 whose company, who is going to come there,  
13 how much revenues is going to come into it.  
14 And that was my concern as we were having  
15 the hearings, that maybe they were being too  
16 conservative. And that worries me in a  
17 market like this, that really could be  
18 something powerful.

19 MR. KLINEMAN: Anyone else have a  
20 comment on Pinnacle at this point? Now  
21 we'll move on to Rising Sun. It's full  
22 name?

23 MR. THAR: Rising Sun Riverboat

1 Casino and Resort RSCI.

2 MR. KLINEMAN: You remember that  
3 this is the one that Pritzker, the Hyatt  
4 company had indicated that he was going to  
5 come in on. It was a 98 million dollar  
6 project. He was committed at least orally  
7 to an unconditional loan of 99 million  
8 dollars, 8 percent interest rate with the  
9 hope, of course, of converting --  
10 representation that he would convert the  
11 loan, that Hyatt would convert the loan to  
12 management positionship, that they would be  
13 allowed to do that by this Commission. They  
14 are going to build a hotel, I forget the  
15 size, but it's a, if I remember correctly,  
16 it was of destination size. It wasn't -- I  
17 think it was something bigger than that.

18 MR. SUNDWICK: One hundred and  
19 fifty.

20 MR. PRITZKER: I believe I said  
21 200 in the first phase, Mr. Chairman.

22 MR. KLINEMAN: Okay. That was  
23 Mr. Pritzker.



1 MR. SUNDWICK: Am I to also  
2 understand it's 8 percent or 14, the loan?

3 MR. PRITZKER: I believe it was  
4 18 percent prior to conversion and at  
5 conversion or your discretion it would go to  
6 16 percent preferred return.

7 MR. VOWELS: The approach there,  
8 too, is Hyatt understands that this is  
9 unconditional, that this -- when some people  
10 might see in some of these application are a  
11 back door, they can't give their  
12 applications so they show up with somebody.  
13 But they have to understand this is  
14 unconditional. It doesn't mean they're  
15 going to have the ownership after the  
16 certificate of suitability is issued, and I  
17 think they understand that.

18 MS. BOCHNOWSKI: Well, the  
19 advantage here, though, is that Hyatt, this  
20 is a company that we have investigated in  
21 the past. I'm sure we have to do another  
22 investigation should that application come  
23 in. But financially I think we know where

1           they stand, so we know they're capable of  
2           financing a project. Would you agree with  
3           that, Jack?

4                   MR. THAR:     Based upon the  
5           background investigation and financial  
6           investigation done for Evansville, we have a  
7           high degree of comfort they can do what they  
8           say they will do with regard to financing.

9                   MR. KLINEMAN:   Well, since we're  
10          in here, we've got the road problem which we  
11          briefly discussed before in Rising Sun. The  
12          road is dangerous in the daytime, probably,  
13          obviously eats through our old friend US 50  
14          in Lawrenceburg. And so we have, really,  
15          two problems: One, is the additional  
16          traffic from Lawrenceburg which we avoid by  
17          going to Switzerland County or to Pinnacle,  
18          rather, and also the condition of the road  
19          until it would be fixed pursuant to what the  
20          state highway says it would cost and so  
21          forth. And that would be a fairly long-term  
22          project, probably a couple years, wouldn't  
23          it?

1 MR. THAR: Yes. With regard to  
2 the overall completion, total upgrade of the  
3 road, I would like to mention, which is why  
4 these letters are here, as suggested by  
5 Rising Sun, the city as opposed to -- with  
6 regard to the 2.5 million that each either  
7 Alpha Rising Sun or Rising Sun Riverboat  
8 Casino Resort have agreed to pay immediately  
9 right up front or upon getting the  
10 certificate. So, that would be used for  
11 some temporary alterations to the road such  
12 as repaving where needed, patching where  
13 needed, pull-off spots where needed. That,  
14 of course, does require that it be done in  
15 conjunction the Indiana Department of  
16 Transportation, as with all of them.

17 The private funding for the other  
18 part of the road, if they were to start  
19 today, indicated approximately three years  
20 from today's date completion of that new  
21 improved type road at 6.9 million today's  
22 estimate.

23 MR. SUNDWICK: You said private

1 funding. There is private funding repair to  
2 this road and all of the roading, if you  
3 will?

4 MR. THAR: Yeah. If I didn't  
5 make it clear, each of the applicants for a  
6 license in Ohio County has indicated they  
7 will give 2.5 million to Rising Sun for the  
8 repair of that road and some short-term  
9 repairs be done on that road immediately.  
10 In addition, each candidate has agreed a  
11 loan up to 4 million dollars more interest  
12 free for the overall cost of redoing that  
13 road, and that's a process that will take  
14 engineering, design work. INDOT says if all  
15 of the state required monies is paid by a  
16 private company, by private concerns, and  
17 all that's left is what the federal share  
18 would be, that that type of project can be  
19 escalated into the books and generally move  
20 faster. But you have to understand the  
21 Indiana Department of Transportation  
22 provided this information having only from  
23 last Friday to yesterday to put it together.

1 They did a marvelous job of taking a look at  
2 that road, and that's their best estimate.  
3 But it is faster to fund it by private  
4 entities rather than relying on state to do  
5 it. And to make a total 6.5 million, up to  
6 6.5 million amount has been committed by the  
7 applicants to Rising Sun.

8 MR. SUNDWICK: How long do they  
9 estimate that would be to repair the road?

10 MR. THAR: On as fast as track as  
11 it would go, three years. That's from INDOT  
12 only having a week to look at it. Some  
13 people say it could be a little quicker, my  
14 guess is it would probably be a little  
15 more. That's for permanent full-time.

16 MR. SUNDWICK: If it's privately  
17 funded, what does INDOT think?

18 MR. THAR: INDOT will have a  
19 responsibility to approve the plans, go out  
20 and they'll have to do survey work. Part of  
21 INDOT's problem is that State Road 56 used  
22 to be a county road to a great extent, so  
23 it's an adoption of a county road by the

1 state. They don't know what the easements  
2 are. They don't know to what extent there  
3 will be land acquisition. They don't know  
4 to what extent they'll have to dig into  
5 sides of hills to build up the floor of the  
6 Ohio River because it's next to the river in  
7 some areas. In order to do that there will  
8 be testing, there will be Corps of  
9 Engineering input and other things. So, a  
10 lot of is the design and approvals that will  
11 be necessary to get that done. It would  
12 take much longer than that absent the  
13 private funding.

14 MR. KLINEMAN: Well, it would  
15 have to go into the pool, into the project  
16 pool of money that the state has available  
17 to do its work statewide. Of course, they  
18 set priorities based upon the usage and so  
19 forth. And even though we would increase  
20 the amount of traffic on 56, it still  
21 wouldn't come close to some other highways  
22 that are in need of repair as far as usage  
23 is concerned, so the private funding really

1 is the only way. And I guess it starts to  
2 sound as if we're going to do anything, we  
3 ought to have some indication that if the  
4 project runs more than 6.5, 6.95, that the  
5 applicants, if they receive a certificate,  
6 would make the additional funds available if  
7 it turns out the estimate is low. As Mr.  
8 Thar had said, this was a magnificent job on  
9 the part of INDOT in getting us the figures  
10 that they got us. But the man that brought  
11 them to us said they have done the best they  
12 can. This was a very short period of time.  
13 They have no soil borings. They have no  
14 idea what is the quality of the soil. And  
15 as Mr. Thar said, they have no idea about  
16 the land acquisitions, too, the land that  
17 has to be required, so that presents a  
18 substantial problem. As we know, highways  
19 have been a great concern to this Commission  
20 and everybody since we went down to the  
21 southeast and started looking at those two  
22 counties.

23 MS. BOCHNOWSKI: Well, and the

1 other issue is, it's not just that area but  
2 everything from really through Dearborn  
3 County is going to be affected as well. And  
4 whether there will ever be a bypass around  
5 Lawrenceburg, I think those are all issues  
6 that we have to think about.

7 MR. VOWELS: The way I look at it  
8 it's two-fold. Having driven those roads,  
9 they need to be updated. The only way  
10 they're going to be updated is if the state  
11 pays attention to them. And the only way  
12 the state is going to pay attention to them  
13 is if there is a riverboat traffic, people  
14 driving down those roads, revenue coming in  
15 to benefit neighboring cities. The  
16 Democratic process, as I view it, certainly  
17 those people in Switzerland, Ohio and  
18 Dearborn Counties aren't stupid. They would  
19 assume that more people are going to show up  
20 in their county. They're not going to be  
21 walking there or riding bicycles. So, when  
22 they passed the referendums, they had every  
23 opportunity in the world to evaluate that,



1 and anybody that wanted to point that out to  
2 them, that that was bad idea, they had the  
3 opportunity and they still passed it.

4 Like I said the other week, if I  
5 lived there and had a great job and made a  
6 lot of money, I don't know if I would have  
7 voted for the referendum because I like the  
8 way that place looks and the way it is and I  
9 don't want any changes. But I don't live  
10 there, and they voted for it. And so I  
11 think traffic impact is going to be a big  
12 deal in the way it changes the lives down  
13 there, will be a big deal. But they voted  
14 it in, and I think INDOT will pay attention  
15 to it. But I wish it would go faster, but  
16 that's not the way it works. But I think  
17 traffic is important and I think the people  
18 down there should be given credit for having  
19 considered it when they voted it for. And  
20 they do get the good with the bad, and it  
21 would be safe in the meantime.

22 MR. KLINEMAN: We all received  
23 from the Corps of Engineers an evaluation of

1 the wetlands problems and cultural,  
2 archaeological problems of each of the  
3 applicants as viewed by the Corps based upon  
4 not an in-depth but a cursory review, I  
5 guess, of problems. And Alpha Rising Sun,  
6 they show has a low wetland, I call it  
7 problem, has a low cultural problem.

8 The Pinnacle has a -- they receive  
9 a non-category of wetland, and they receive  
10 a low on the cultural. And the riverboat,  
11 since it's on the same location as Alpha  
12 Rising Sun gets two lows. I thought I would  
13 bring that to the attention of the  
14 Commission.

15 MR. VOWELS: And I think the new  
16 statute, not to get off of that, that  
17 requires the boats have to be able to move.  
18 I think everybody says there is no real  
19 concern.

20 MR. THAR: That's not issue with  
21 regard to Ohio and Switzerland County.

22 MR. VOWELS: Right.

23 MR. KLINEMAN: Well, I think

1 Switzerland County would take the position  
2 that they have a little more room because  
3 the Markland Dam sort of forces the traffic,  
4 I think, to what we'll call the Kentucky  
5 side.

6 MR. THAR: I think the real point  
7 was that it's so close to the Markland Dam,  
8 the pool stays, it's hard to make the  
9 deviation, the pool of water there which  
10 will be more affected as you get further  
11 away from the Markland Dam. But also, yes,  
12 the lots are on the Kentucky side. But as  
13 compared to Evansville or some of other  
14 positions that you've already seen, both the  
15 Ohio County and the Switzerland County areas  
16 have more than sufficient water to cruise.

17 MR. VOWELS: Being from  
18 Evansville, everything looks good from  
19 there.

20 MR. KLINEMAN: Well, and as far  
21 as affecting the immediate quality of life,  
22 Pinnacle is close to Florence, the very  
23 small town, and is it really away from

1 Vevay, so that is a consideration on  
2 Pinnacle whereas two Rising Sun locations,  
3 as we all know, are right next to Rising Sun  
4 which could be a plus or a minus. I guess,  
5 Mr. Vowels, saying it could affect the  
6 quality of life in those towns, on the other  
7 hand it prevents the area from dying  
8 completely because the people will be right  
9 there, and so they will be available to, as  
10 they come to the riverboats, also  
11 participate in the Main Street type of  
12 activities in Rising sun, at least.

13 MS. BOCHNOWSKI: Well, the people  
14 of Rising Sun impress me as really having  
15 gone to a great deal of effort to address  
16 some of these issues. And I think, I hope  
17 that both of these communities are jumping  
18 into this knowing full well what they're  
19 going to be facing in terms of additional  
20 people, different types of businesses that  
21 might come in. And it seems to me that they  
22 address these issues.

23 MR. KLINEMAN: The other thing I

1 think we would want to compliment both  
2 counties on is the revenue sharing program  
3 that was -- nobody forced them to get into  
4 the revenue sharing splitting that they did,  
5 they did that on their own. I think that  
6 caused, of course, a lot of favorable  
7 letters to come into this Commission  
8 supporting one or more of the candidates  
9 because of the things that the Ohio and  
10 Switzerland County public officials did.

11 And I want to compliment the  
12 elected officials in Ohio and Switzerland  
13 Counties regardless of what level. To me  
14 you people went about this process in a very  
15 Democratic, businesslike way. And I, for  
16 one, appreciate the work that you did to  
17 present a package to this Commission which,  
18 as you are seeing, makes our decision rather  
19 difficult, extremely difficult. So, anyway,  
20 we do thank the elected officials in those  
21 counties and the other people who worked on  
22 the revenue sharing and the other aspects of  
23 working thses projects up to the place they

1 are today. And, again, of course, I guess  
2 we should thank the applicants for having  
3 presented such good packages that makes the  
4 decision that much more difficult. I think  
5 a lot of thought and obviously a lot of  
6 money went into the presentations that we  
7 have received and the work that goes behind  
8 the presentations and proposals that are  
9 made. Everyone put a lot of thought into  
10 it.

11 MR. VOWELS: Mr. Thar, in  
12 reference to all of these applicants, the  
13 statute, of course, prohibits, it makes  
14 certain people and entities ineligible for a  
15 license. We don't have any of that problem  
16 here; is that correct?

17 MR. THAR: I'll deal with that  
18 issue, if I could switch around, should  
19 there be a motion on a different candidate.

20 MR. KLINEMAN: I think that's the  
21 most effective way to handle it, before we  
22 vote we can find out if they're not  
23 eligible.

1                   Anything further? Does anyone  
2                   have any questions of the applicants that  
3                   are here? Anybody have any questions they  
4                   wish to propound to any of the applicants  
5                   for the counties?

6                   MS. BOCHNOWSKI: I think that  
7                   before we do make a motion, though, we  
8                   should make it clear if we grant --  
9                   obviously we can't -- we're going to  
10                  probably grant, at this point grant a  
11                  license to either Ohio or Switzerland  
12                  County. That doesn't preclude the other  
13                  county from getting a license sometime down  
14                  the road. We have five licenses on the Ohio  
15                  River.

16                  MR. THAR: Or later today.

17                  MS. BOCHNOWSKI: That's right.

18                  MR. KLINEMAN: That's why we at  
19                  this time are not voting in favor or against  
20                  any county. I'm glad you brought this point  
21                  up. We will be voting, granting license to  
22                  a particular applicant. And, therefore, as  
23                  everyone has said, it doesn't preclude the

1 county which is not at this point picked to  
2 either come again with the same applicant  
3 today, as Mr. Thar says, or come again some  
4 other time with another applicant.

5 Anyone have anything further?  
6 Well, let me say that this Commission has  
7 worked very diligently. They've gone over  
8 the material that has been submitted, so if  
9 we don't spend a lot of time making this  
10 decision, it is not because it hasn't been a  
11 decision that's been thoroughly thought  
12 through. So, if we're ready for the  
13 decision, I would entertain a motion to  
14 approve a particular applicant of the three  
15 before us.

16 MR. VOWELS: I'll make a motion.

17 MR. KLINEMAN: Mr. Vowels.

18 MR. VOWELS: I would move that  
19 the certificate of suitability be issued to  
20 Rising Sun Riverboat Casino & Resort LLC.

21 MR. KLINEMAN: Is there a second  
22 to that motion?

23 MR. MILCAREK: I'll second the



1 motion.

2 MR. KLINEMAN: It is moved to  
3 second it. All those by the raise of hand  
4 vote aye.

5 (Mr. Vowels, Dr. Ross, Ms.  
6 Bochnowski, Mr. Klineman, Mr. Sundwick and  
7 Mr. Milcarek so indicate.)

8 MR. KLINEMAN: Can we come back  
9 to order a minute. The Chair needs to rule  
10 that all the Commissioners, all six having  
11 voted in favor of Rising Sun Riverboat  
12 Casino, that that company will be issued a  
13 certificate of suitability according to all  
14 the terms and conditions that's listed.

15 MR. THAR: Commissioner Vowels,  
16 there is no statutory provision based upon  
17 the background investigation of Rising Sun  
18 Riverboat Casino & Resort that would prevent  
19 this Commission to not only issue a  
20 certificate but a license as well.

21 MR. KLINEMAN: There is nothing  
22 in the statute that would prevent --

23 MR. THAR: Nothing in the

1 investigation that the statute would cause  
2 that. Yes, they're clean.

3 MR. KLINEMAN: Okay. I think  
4 that anything further that came before us on  
5 this particular matter, we would take a 15  
6 minute recess and we'll come back.

7 (A short break was taken off the  
8 record, after which the following  
9 proceedings were had.)

10 MR. KLINEMAN: Okay. If we could  
11 settle back down, I've been informed by a  
12 number of people that nobody can hear what  
13 was going on up here, and I apologize for  
14 it. We did not realize but the TV people  
15 plugged into our systems and as a result of  
16 that we have to get real close to the mike  
17 because they have siphoned off the volume.  
18 And since we can't pull the plugs, I guess  
19 we're going to have talk a little louder.  
20 If people cannot hear, raise your hand and  
21 I'll see you and we'll try to make the  
22 adjustment that's necessary to allow  
23 everyone in the place, in the room to hear

1           what's going on. So, I guess we're ready to  
2           move into Dearborn County.

3                   And if you recall we are going try  
4           to, at least, to attempt to discuss the  
5           applicants and then go into a procedure that  
6           would have kind of a primary and a general  
7           election. So, with that we will move -- and  
8           if at any time if any of the Commissioners  
9           wish to ask any of the applicants anything,  
10          just indicate and we'll go forward with  
11          questions. As we did in the other  
12          situation, we'll try to go down these  
13          projects by alphabetical order.

14                   First, let me say that as a result  
15          of the hearings that we've had most, if not  
16          all, of the Dearborn County applicants have  
17          indicated that they would build a  
18          substantial hotel facility. Obviously, that  
19          was one of the things that came out of the  
20          discussion that we had last week. There  
21          was, I think, a pretty strong indication  
22          that this Commission felt that that  
23          particular area was so hot, so to speak,

1           that a destination-type facility might be  
2           that which would have the most lasting  
3           effect and the most bang from an economic  
4           standpoint. So, I will not be going over  
5           what size hotel everybody has because,  
6           basically, those who originally filed with a  
7           smaller facility have now agreed to enlarge  
8           it, and we will just assume for the purpose  
9           of this discussion that everyone will  
10          ultimately build something that would, at  
11          least, classify as a destination-type  
12          operation.

13                       We have, of course, in Dearborn  
14          County the two imponderable problems. We  
15          have the environmental problem on the east  
16          side and we have the traffic problem,  
17          reverse, on the east side and the traffic  
18          problem on the west side. So, we will just  
19          identify the applicants, where they're  
20          located and what brief information we have  
21          or that I might indicate. We'll ask the  
22          Commissioners to jump right in and indicate  
23          anything they wish to say. We'll take them

1 in order of alphabet which puts Ameristar at  
2 the top like they were on the  
3 presentations.

4 If you remember, Ameristar is the  
5 project -- well, before we get into that, I  
6 think we ought to have a report from Mr.  
7 Thar as to our research on the question of  
8 the conservancy district because that was  
9 one of the big problems that came up. And  
10 we asked those people that had legal  
11 opinions on the authority of the conservancy  
12 district to lease, either directly or  
13 indirectly, the land for the purpose  
14 proposed. And we did receive, I guess, two  
15 at least opinions from applicants and one  
16 from the Sierra Club, was that -- I think  
17 that's where we ended up.

18 MR. THAR: Yes. Mr. Chairman, is  
19 there something you need to announce?

20 MR. KLINEMAN: This is for WLW  
21 radio. There's a call for you, Brian Combs.

22 Well, anyway, the opinion, I guess  
23 we're back to that again, Mr. Thar.

1 MR. THAR: Yes. Applicants did  
2 submit research. Of course their research  
3 indicated that it was authorized for the  
4 conservancy district to lease it for  
5 riverboat gaming activity. Sierra Club, of  
6 course, had their letter which indicated  
7 that it would not be so well. Prior to her  
8 scheduled vacation, Miss Fleming did  
9 research and her conclusion, very simply,  
10 she feels the issue is not clear enough, has  
11 not been litigated enough to that type of  
12 clarify. So, the bottom line is, regardless  
13 of which route you want to take, it mostly  
14 like presents a loss. Who would win, we  
15 don't know at this time.

16 MR. KLINEMAN: I guess there's no  
17 prior precedent that anyone has come up  
18 with?

19 MR. THAR: Not to the satisfaction  
20 referred that we've heard recently.

21 MR. KLINEMAN: Well, okay, then  
22 we'll start with Ameristar. Their project  
23 is on the city property. They have, at

1           least according to the environmental people,  
2           have a mitigation program and that they have  
3           been cooperative in meeting together. Of  
4           course we're getting no endorsements from  
5           either the Oxbow or the Sierra Club with  
6           respect to Ameristar. Their original  
7           project, I guess, was approximately 155  
8           million dollars. The last figure I have in  
9           my notes show that 185 million dollar  
10          project, and it would classify, as I say, as  
11          a destination resort, and they're building a  
12          rather large boat. And according to the  
13          IUPUI analysis --

14                   MR. THAR:    Be page 21 for certain  
15          summary sheets, certain economic impacts and  
16          it show section 1, page 5.

17                   MR. VOWELS:   When you look at  
18          Ameristar's numbers, their annual attendance  
19          numbers are well above the Dearborn County  
20          averages. They're only exceeded by the  
21          Boomtown S.E.S. single license attendance  
22          record, the numbers there. Empire's  
23          proposal, as we had it submitted to us for

1 investigation purposes, is right behind it.

2 MR. THAR: What are you looking  
3 at?

4 MR. VOWELS: These numbers on  
5 page 21, the overview of Dearborn County  
6 applicants. The numbers that we had during  
7 the investigation were 155 million dollar  
8 figure, and when we showed up for the  
9 hearings, it went to 185.

10 MR. KLINEMAN: That's what my  
11 notes show. But Ameristar shows an average  
12 attendance of some 500,000 over -- or it  
13 shows an attendance of about 500,000 over  
14 the average of all the applicants in  
15 Dearborn County. And as you come on down,  
16 of course, you then fall into a situation  
17 where they show a revenue which is some 20  
18 million dollars over what the average is.

19 Personally, I thought Ameristar  
20 presented a very attractive project. It  
21 was, from what the environmental people said  
22 and from what we were able to ascertain,  
23 they were trying to be cognizant of the



1 environmental problems which exist there.  
2 And they were talking a 4 to 1 mitigation  
3 program which seemed to be something that  
4 was within the realm of possibilities. But  
5 you have the problems that the Corps of  
6 Engineers rated Ameristar on the wetland  
7 problem high and on the cultural problems  
8 high. And as I indicated when I referred to  
9 this sheet with the other applicants, this  
10 is their initial conclusion, not based upon  
11 any thorough investigation but based upon a  
12 view of the records and the other historical  
13 data that they have concerning this site.

14 MS. BOCHNOWSKI: I was extremely  
15 impressed with Ameristar's presentation and  
16 also the fact that both privately, some of  
17 them coming up to me and publicly, the Oxbow  
18 group indicated that they had at least been  
19 attempting to work together to come up with  
20 a solution to this environmental problem  
21 which I think is a very real one. You know,  
22 again, we're faced with the problem, the  
23 east side has the visibility, is the closest

1 to downtown, but it has the environmental  
2 problems. So, that's something that we're  
3 going to have to weigh in making our  
4 decision. But I think Ameristar as a  
5 company, their proposal was very strong and  
6 I was impressed with them.

7 MR. VOWELS: Right. You know,  
8 when I first started reading through all of  
9 this stuff we received, Ameristar was the  
10 first one, the first packet, that I read  
11 through and was impressed with them on  
12 paper. They were the first presentation,  
13 and I was impressed from that Monday  
14 morning, and I stayed impressed all the way  
15 through.

16 The thing that does concern me  
17 about the conservancy district, and I looked  
18 at that statute this week, too, and it's not  
19 clear about which way the court would go.  
20 And I think there could be a valid -- if a  
21 company of the conservancy area got through  
22 that hoop, that everything is all right and  
23 later want to expand, when we jump through

1           that hoop, again, could be tied up. That's  
2           my fear. And the statute doesn't let us  
3           move the bets around from one dock site to  
4           another. I like them from the beginning to  
5           the end, and that was a concern that really  
6           hits home with me. And I'm not certain  
7           where I stand on that. I wish we could move  
8           people around but we can't.

9                       MS. BOCHNOWSKI: I have the  
10           problem that I don't want to be the one  
11           that's responsible for taking a natural  
12           resource, and something that's important to  
13           Indiana, important to Ohio. As a matter of  
14           fact, the state of Ohio has seen fit to  
15           actually publicly claim that land and we've  
16           got private citizens who have invested in  
17           that land, and I don't want to do anything  
18           to hurt that. In addition, the conservancy  
19           district was formed to alleviate flooding.  
20           I'm not sure that a development of this  
21           nature will alleviate flooding, so I have  
22           some concerns there. But Ameristar is a  
23           quality application and something you can't

1 take lightly.

2 MR. KLINEMAN: As to their  
3 financing, my notes indicate that they would  
4 expect to raise 50 million dollars through  
5 an equity placement which they would  
6 estimate would take 90 to 120 days and to  
7 also have 135 million dollars worth of debt,  
8 making a total of 185 million dollars that  
9 they now show, and they say the debt will be  
10 11 percent interest rate. From everything  
11 that we were told, even though the financing  
12 is not in place, it is still a viable option  
13 based upon their prior record, from  
14 everything I understood.

15 Does anyone else have anything to  
16 say on Ameristar? Alphabetically we then go  
17 into Boyd Gaming. Boyd is on the west side  
18 so we're into the traffic problem. There's  
19 also an indication that there's a flood  
20 plane in the INM property that might cause  
21 some concern. According to the Corps of  
22 Engineers, Boyd Gaming has a low problem  
23 with wetlands but a high problem with

1 cultural things. So, we have -- having  
2 granted a license down in Rising Sun, of  
3 course, as we put more traffic on US 50, it  
4 becomes a concern because the Rising Sun  
5 traffic would follow the same path, actually  
6 go past Boyd in order to, I think would go  
7 past, maybe it was a cutoff before. By,  
8 anyway, it is a US 50 problem. That, I  
9 guess, would be a little bit of a downside.  
10 The upside might be that operating two boats  
11 within that range would allow them maybe to  
12 operate in a little bit in concert as far as  
13 times of cruises and things like that. We  
14 wouldn't have people riding across  
15 sidewalks, as somebody suggested at the  
16 hearings, in order to make the last sailing  
17 of the boat. So, there might be some  
18 advantage to having these boats, I guess,  
19 what, eight or nine miles apart. They  
20 wouldn't be very far apart from the west  
21 side of Lawrenceburg to Rising Sun.

22 DR. ROSS: I thought that Boyd  
23 was an extremely experienced company in the

1 gaming business and financially been able to  
2 weather whatever storm they were in and  
3 wherever they were. And their financing  
4 seems to be reasonable and they seem to have  
5 enough cash flow to cover it. Seems like a  
6 good company.

7 MR. SUNDWICK: Doctor, I agree  
8 with you. I think when somebody says they  
9 have 50 million dollars three blocks away or  
10 four, or whatever it is, it was impressive.  
11 I certainly am a proponent of the east side  
12 of the county. But looking at Boyd and a  
13 proposal, I think today it talked about  
14 helping build a bypass, would certainly  
15 alleviate some of the traffic on 50. I  
16 thought that was over and above what they  
17 had stated in their original proposal. I  
18 think to the tune of, Jack, what, some 8  
19 million?

20 MR. THAR: That's right.

21 MR. SUNDWICK: Eight million  
22 dollars to help offset the cost to help  
23 build a bypass around which is needed, so

1           that's very impressive. I think the site  
2           certainly is a good site, but I still --  
3           obviously the west side of town creates some  
4           traffic problems. Another thing I think, I  
5           don't think we can forget is they are one of  
6           the choices of the city. The city of  
7           Lawrenceburg is certainly in favor of Boyd,  
8           and I don't think we can take that lightly.

9                   MR. THAR:     That would be true  
10           also of Ameristar.

11                   MS. BOCHNOWSKI:   Jack, there are  
12           estimates, I'm sure you maybe mentioned it,  
13           and I kind of got the numbers mixed up in my  
14           head, have there been estimates of the cost  
15           of that bypass?

16                   MR. THAR:     No, not anything that  
17           have been official. There have been private  
18           consulting and engineering groups that have  
19           said it can be built for this or it can be  
20           built for that. To my knowledge INDOT has  
21           not -- it hasn't been decided what kind of  
22           bypass it would be. If you're talking about  
23           a bypass being basically a 4 million highway

1 swung around, that's a substantially bigger  
2 cost than using some existing roads and  
3 patching them together so that you have a  
4 continuous bypass on a two-lane highway.  
5 The 8 million dollars is something that  
6 after the presentation Boyd has indicated  
7 they would put in towards a bypass.

8 MR. KLINEMAN: The matter of the  
9 city endorsement having been brought up, I  
10 think I ought to personally, not on behalf  
11 of the Commission, express my dismay with  
12 the most recent correspondence from the city  
13 which was a letter signed by the mayor and  
14 all the city councilmen which, rather than  
15 being a positive approach to anything,  
16 basically said that we couldn't do business  
17 with Boomtown S.E.S. for a number of  
18 reasons. And that was, in theory, supported  
19 by a letter from Peat Marwick which really  
20 surprised me because I thought those people  
21 were supposed to be experts in analyzing  
22 finances and so forth. Instead of that they  
23 got down into what I consider rank rumors



1 and put them out as if they were actual  
2 facts. And I personally, and I only speak  
3 personally, will take that letter into  
4 consideration in deciding whether or not the  
5 city's endorsement actually is something  
6 that we should give a great deal of weight  
7 to.

8 MR. VOWELS: Well, we just gave  
9 out a license to Ohio County, and the  
10 positive approach that was taken in Ohio  
11 County, I don't think, can be  
12 underestimated. There is nobody on this  
13 Commission or anybody on the Staff who  
14 aren't skeptical, and we take everything we  
15 hear with a grain of salt. And so we're  
16 negative enough, I think, in our approach  
17 that people don't need to lay that on us.  
18 And Ohio County is an example of the  
19 positive approach and what can come from a  
20 positive approach. And I don't have time to  
21 deal with these negatives. I mean, I have  
22 to come up here and I have to deal with this  
23 along with the rest of my life, and I'm a

1 negative person, anyway. I don't need help  
2 from anybody else.

3 MR. KLINEMAN: I don't think  
4 you're negative.

5 MR. VOWELS: My point is: I  
6 agree with you and she agrees with me.

7 MR. KLINEMAN: Well, at least as  
8 far as I'm concerned, to close the subject,  
9 we did receive a positive letter from the  
10 Chamber of Commerce saying we'll work with  
11 anyone you people choose, and I think it was  
12 positive. And I was surprised at the letter  
13 with the Peat Marwick attachment, in  
14 particular, in light of the testimony that  
15 was given at the time Lawrenceburg made  
16 their presentation when asked a question by  
17 one of the Commissioners, Mr. Thar, if you  
18 got, if you had a choice between no boat and  
19 a boat operated by an unendorsed candidate,  
20 the answer to that question was we'd like to  
21 have a boat. So, to me it was quite a  
22 surprise to receive that correspondence.

23 MS. BOCHNOWSKI: Well, and

1 clearly we have to be considerate of the  
2 city's position because they will be  
3 impacted by anything that we approve. On  
4 the other hand, there are a number of other  
5 communities that are almost the same size as  
6 Lawrenceburg or are the same size, maybe  
7 they're not officially cities, maybe they're  
8 not on the river, so because of the way the  
9 statute is written, they can't have the  
10 boat. But we have to consider the entire  
11 county, I think, in this application.

12 MR. KLINEMAN: Well, to finish a  
13 little bit on a positive note, I, like Dr.  
14 Ross and the others, felt that Boyd, it's a  
15 good, solid company. It's got a project  
16 that is appealing. It's a destination  
17 resort, and it's got a lot of the things  
18 that I like. And we'll have to weigh the  
19 traffic problem.

20 Anything further on Boyd?

21 MR. VOWELS: They also have an  
22 application in Hammond; is that correct?

23 MR. THAR: That's correct.

1 MR. VOWELS: My notes reflect  
2 that, of course, they stated that if they  
3 receive it here, they will give that up up  
4 there, which they have to. That's one  
5 plus. And I do look at them as a good  
6 company. And if they wouldn't receive it  
7 here, I don't think there's any reason they  
8 wouldn't make a good showing in Hammond,  
9 also. I thought they were a good company,  
10 and my notes reflect positive things. They  
11 did say they were not going to give any  
12 preferance for boat built in Jeffersonville,  
13 which that's their choice and is an honest  
14 answer. I think Bob got into the local  
15 investor question, and I think Bob made it  
16 clear that we really don't care who the  
17 local investors are, just how they got  
18 chosen. If it's somebody's brother-in-law,  
19 that's fine. What's the point of knowing  
20 somebody if it doesn't do you any good, I  
21 guess.

22 MR. THAR: I tell you, Mr.  
23 Vowels, I'm not sure Boyd indicated that

1           they would withdraw from Hammond. I was  
2           under the impression that they said they  
3           would adjust their position in Hammond.

4                   MR. VOWELS: My note just says  
5           they would give it up. That may be  
6           incorrect. I would assume they'll stay in  
7           Hammond if they don't receive a license  
8           here.

9                   MR. THAR: The answer is, if they  
10          win a license in Lawrenceburg, they will  
11          adjust their position to still be in  
12          compliance with our rules for Hammond. They  
13          will stay in Hammond if they do not get a  
14          license.

15                   MR. VOWELS: Either way, we may  
16          see them again if they don't work it out  
17          this time.

18                   MR. KLINEMAN: Anything further  
19          on Boyd? If not, we will move on to Empire.  
20          Empire was the one that there were going to  
21          be substantial changes of ownership in their  
22          proposal and presentation to the Commission.  
23          It caused us some concern because even

1           though we had made an investigation of one  
2           of the new proposed owners, there were  
3           several proposed owners that we had not  
4           investigated, and it really caused us a  
5           problem. Now, there are those who might  
6           think Ewing Hyatt has a non-owner but rather  
7           as a financing agency. And action we took a  
8           few moments ago is the same, so to speak, as  
9           having new ownership. And I think this  
10          Commission takes the position that we need  
11          to conduct background investigations, and we  
12          need, therefore, to set a time limit when  
13          that ownership will not change so we can  
14          conduct our investigation and see if these  
15          are people we want to grant a license to.

16                 In the particular Hyatt situation  
17          we did, in fact, get an unconditional  
18          commitment from the Hyatt group that they  
19          were going to provide the financing, and in  
20          that view I look at them just like NBD or  
21          First National of Las Vegas or whatever.  
22          They are the financing agency. They've made  
23          an unconditional commitment. We wouldn't

1 investigate NBD or First National of Las  
2 Vegas. So, even though we understand and  
3 we're not playing games, we understand  
4 they're going to be applying to become  
5 owners. We, at least, could, in theory,  
6 turn down the application to change the  
7 ownership, and they would still be in place  
8 as a financing agency.

9 The presentation from Empire did  
10 not do that. They basically were changing  
11 the ownership, and that transaction,  
12 apparently, took place like Friday afternoon  
13 before we had our hearings and caused us  
14 some concern. I guess there's been some  
15 communication now that they would assume a  
16 Hyatt-like position in this. The new people  
17 would provide financing without a  
18 commitment.

19 MR. THAR: One of the pieces of  
20 information that was submitted was submitted  
21 on behalf on Empire, the booklet with the  
22 same type of binding as this one cover,  
23 basically indicated that they wouldn't be in

1 a financing position but then applying for  
2 an application much like Hyatt. What I was  
3 unable to glean from reading that booklet is  
4 whether or not the Kenny group, as it was  
5 called, was guaranteeing 300 million dollars  
6 or 40 million dollars, and that's what I,  
7 the question that I have. I couldn't tell  
8 from representation. And the time of the  
9 hearing, they originally indicated they were  
10 going to provide 40 million or 300 million.  
11 Subsequently they believed their net force  
12 was sufficient to fund the whole thing.  
13 That question remains open.

14 MS. BOCHNOWSKI: Maybe they can  
15 answer it now. They're here.

16 MR. KLINEMAN: Will you state  
17 your name, Mr. Kenny.

18 MR. KENNY: Yes. Phillip Kenny  
19 with the Kenny group. Relative to that  
20 letter, it's very much a structure  
21 comparable to the Hyatt proposal and that is  
22 an equity instrument and there's also a debt  
23 instrument that was attached to that.



1           Seeing that there is conversion, upon  
2           approval by the Gaming Commission that we  
3           would convert from that position into equity  
4           owners. And it was a non-conditional  
5           commitment. The letter to back up from  
6           Iaccoca Capital is not a highly confidential  
7           letter, it is a guaranteed letter.

8                   MR. THAR:    The question is what  
9           is the total amount guaranteed?

10                   MR. KENNY:   I believe it was 300  
11           million, 40 million of equity, 260 million  
12           of debt for the full amount of the project.

13                   MR. KLINEMAN:   Now, this isn't a  
14           reflection on you, Mr. Kenny, or any of the  
15           Kenny group. These are top notch people.  
16           From everything you've told us about them,  
17           they are really outstanding people, but it  
18           does present this difficulty which I've  
19           expressed in trying to investigate and grant  
20           licenses to those people who are qualified  
21           under the statute without having the  
22           opportunity to make that kind of background  
23           investigation. And that excludes you, of

1 course, because we've done your background.  
2 But these other people, Robinson and Herb  
3 and Paulson, those people, we haven't have  
4 had an opportunity.

5 MR. KENNY: The financing was  
6 based on pending approval by the Gaming  
7 Commission, those positions.

8 MR. VOWELS: Wait a minute. What  
9 do you mean? Say that again.

10 MR. KENNY: The equity -- the  
11 commitment on the financing is an  
12 unconditional commitment, okay, debt and  
13 equity to the project. The people who are  
14 committing the equity portion as an  
15 unconditional equity commitment, they would  
16 convert into the ownership position if  
17 approved by the Gaming Board.

18 MR. THAR: I've got a problem  
19 with that. How do you get an equity  
20 position without five percent or more  
21 without having the approval of the Gaming  
22 Commission?

23 MR. KENNY: No, that's with the

1 approval of the Gaming Commission.

2 MR. THAR: So, it starts out as  
3 300 million in debt?

4 MR. KENNY: No, 40 million of  
5 equity, 260 debt.

6 MR. THAR: How do get the 40  
7 million of equity if you haven't been  
8 approved by the Gaming Commission?

9 MR. KENNY: It's unconditional.

10 MR. THAR: Just s an investment?  
11 You're going to be a stockholder? You're  
12 going to have more than five percent of the  
13 stock?

14 MR. KENNY: Yes.

15 MR. THAR: That requires  
16 approval?

17 MR. KENNY: Correct.

18 MS. BOCHNOWSKI: But if you're  
19 not approved, where do you stand?

20 MR. KENNY: The relative --

21 MS. BOCHNOWSKI: Let's assume  
22 you're not approved, your group is not  
23 approved, what happens then?

1 MR. KENNY: The equity partner,  
2 if it's not approved, is basically it's  
3 structured as such that we no know that  
4 through the approval process we assumed and  
5 made that assumption that the partners would  
6 be approved. And anyone who moves into that  
7 position who is not approved on the equity  
8 side of the equation, so that if one partner  
9 is not approved, the liability of that moves  
10 into the equity position.

11 MR. VOWELS: Let's just assume, I  
12 think what Ann just said, that the applicant  
13 that we saw before us in all the books is  
14 the only owner for the next five years, what  
15 you proposed, you come in, six months down  
16 the road and we say no. What happens then?

17 MR. KENNY: As far as the --

18 MR. VOWELS: As far as the new  
19 people that we saw in a couple weeks ago,  
20 Mr. Schilling has been -- he was in there  
21 from the get-go, right?

22 MR. KENNY: It would be a loan,  
23 obviously.

1 MR. THAR: A 300 million dollar  
2 loan?

3 MR. KENNY: I'm going to ask Mr.  
4 Miller to step in, also.

5 MR. MILLER: I'm Robert Miller.  
6 The basic equity debt of the structure  
7 worked the same way in its condition in that  
8 the principals who have a substantial net  
9 worth have asserted that they will provide  
10 funding for the project the way that they  
11 proposed to proceed and to provide 40  
12 million dollars in equity and then raise the  
13 rest the debt. However, that if they're not  
14 suitable, that they will provide it as a 100  
15 percent loan. Does that answer your  
16 question?

17 MS. BOCHNOWSKI: Then would the  
18 interest rate change from 11 percent to a  
19 higher rate?

20 MR. MILLER: No. Basically, the  
21 assumption is is that the individuals -- of  
22 course Mr. Paulson is licensed through Full  
23 House, is owner and principal of Full House

1           which operates casinos. The assumption  
2           really is is that the principals are  
3           suitable. Mr. Herb who is one of the  
4           largest employers in the state of Indiana,  
5           who is the largest advertiser in the state  
6           of Indiana, these are people that would be  
7           licensed, and that's the assumption.

8                       But it is an unconditional  
9           guarantee for the funds by people who have  
10          the assets of the management to fund the  
11          project.

12                      MR. KENNY: Erie is also licensed  
13          in the Ohio jurisdiction.

14                      MR. KLINEMAN: Well, let's move  
15          on. The Empire project is more on the east  
16          side of Lawrenceburg. It has the  
17          designation from the Corps of Engineers of  
18          high in wetlands and high in cultural  
19          resources, and it does have a mitigation  
20          problem with the wetlands. According to my  
21          notes they were talking about two for one  
22          mitigation ratio, but I'm not sure that  
23          that's correct.

1 MR. VOWELS: I think I had three  
2 or four to one in my notes.

3 MS. BOCHNOWSKI: That's what I  
4 have.

5 MR. KLINEMAN: Anything further  
6 on Empire?

7 DR. ROSS: I think one of the  
8 things that impressed me with Empire was  
9 their minority plan that they had crafted  
10 with the NAACP. It was a percentage of  
11 their income as they as they went along  
12 annually, I can't remember the exact facts  
13 and that, but as I recall it was an  
14 excellent minority situation.

15 MR. KLINEMAN: And they were  
16 trying to solve the problem of the traffic  
17 even on the east side with a ramp over  
18 I-275, the on and off situation.

19 Anything further on Empire? We'll  
20 move on to Indiana Gaming which is Argosy,  
21 Ventura and Consecos. They are inside the  
22 levee for the most part. They have a rather  
23 restricted site because of the levee and its

1 relationship to their site as far as the  
2 number of acres that they have to work with.  
3 The Corps of Engineers shows them as high in  
4 wetlands resources and high in cultural.  
5 They are not, however, on any conservancy  
6 land, at least at the present time, although  
7 I think that they indicated that they would  
8 think about any expansion into the  
9 conservancy area, if I remember correctly.  
10 They were ones that originally had a 100  
11 room hotel, but as I indicated at the top,  
12 they are now willing to, according to the  
13 latest communication I've seen, to increase  
14 that hotel when they reach 70 percent  
15 occupancy or in the alternative build 300  
16 rooms now. So, as you can see, people are  
17 becoming a little more flexible.

18 MS. BOCHNOWSKI: Well, this  
19 company is on the east side, yet they've  
20 been able to put their property, at least  
21 the initial investment, into a  
22 non-conservancy district area. So that, you  
23 know, that took some thinking, you know,



1           some realization of the problems, and I  
2           appreciate that. Also, this is an Indiana,  
3           one of the major players in this is an  
4           Indiana company, and clearly they've got the  
5           financial strengths to carry out this  
6           project, so I think that this is a strong  
7           candidate for the certificate that we're  
8           looking at.

9                       MR. SUNDWICK: I certainly would  
10          commend the applicant going from 100 rooms  
11          to 300 rooms. I also, because I am a  
12          somewhat in favor of the east side because  
13          of traffic and the commitments that your  
14          company's made see you as an excellent  
15          candidate. I think their project and  
16          probably along with Ameristar's would help  
17          downtown a lot. We certainly have received  
18          information or letters from people of  
19          Lawrenceburg or businessmen of Lawrenceburg  
20          talking about the improvement of their  
21          downtown, of their community, which we're  
22          all interested in.

23                       As Ann said, I think that Indiana

1           -- it's an Indiana company, certainly well  
2           financed, and I just think a good, solid  
3           presentation. I'm a little concerned about  
4           the 7.2 acres, I believe it was, and the  
5           expansion, and they might be able to clear  
6           this up. I think that they intended their  
7           expansion, it is at least to my  
8           understanding, was west into the community  
9           and not east into the conservancy district?  
10          Am I right?

11                   MR. RUSTHOVEN:   That's correct.

12                   MR. SUNDWICK:    So, all the  
13           explanation would be into the community  
14           inside the levee, am I correct?

15                   MR. RUSTHOVEN:   That's correct,  
16           sir.

17                   MR. KLINEMAN:   Well, I stand  
18           corrected, then. I guess I didn't -- I  
19           haven't seen anything that -- the plan that  
20           I found in the annual report, Argosy showed  
21           it into the conservancy district, but that  
22           was plan three or four or something, and  
23           that's not the one we're going with now.

1           There is, in fact, land available, somebody  
2           could answer that for me, land available  
3           adjacent to the site that you previously  
4           proposed which would still be inside the  
5           levee and not in the conservancy district  
6           which would house an additional  
7           development?

8                       MR. RUSTHOVEN:     Mr. Chairman,  
9           Peter Rusthoven of Barnes & Thornburg. The  
10          answer to that question is yes. That land  
11          has been optioned by others and has been  
12          made available to us and is now effectively  
13          under our control. It's approximately 6.5  
14          additional acres that would describe the  
15          west side of the site and would not go into  
16          the conservancy district.

17                      MS. BOCHNOWSKI:    How does that  
18          impact neighborhoods there? I'm trying to  
19          picture it, and it seems like there's homes  
20          there?

21                      MR. RUSTHOVEN:    Ms. Bochnowski,  
22          it does not have an adverse impact on the  
23          neighborhoods. Obviously, some of the

1 people who have optioned owned property, but  
2 they seemed to have been very happy with  
3 having been able to do that.

4 MR. SUNDWICK: After driving  
5 through that part of the community, I'm sure  
6 they would be very to option that 6.5 some  
7 acres to you.

8 MR. RUSTHOVEN: They seemed to be  
9 pleased, Commissioner.

10 MR. SUNDWICK: Let me ask a  
11 question to you. I understand your proposal  
12 was to -- tell me about your proposal on  
13 traffic flow just real briefly.

14 MR. RUSTHOVEN: Thank you. What  
15 Mr. Hilbert of Conseco and Mr. Long of  
16 Argosy, after the Commission's hearings in  
17 Vevay, were quite sensitive to some of the  
18 traffic issues that were discussed by the  
19 local people. And the solution that they  
20 came up with was to purchase the rights to  
21 the Central Indiana Railroad which runs  
22 directly down and on which we can build  
23 direct access road off 275. It also has the

1 added advantage, because it -- if you raise  
2 it up 10 inches, which we plan to do, you  
3 have then created a levee that opens up to  
4 development property in Greendale that would  
5 otherwise not be available for use.

6 MR. SUNDWICK: I think we have a  
7 letter someplace from the Greendale people  
8 that proposed that if that happens, they  
9 could certainly use that land, from my  
10 understanding.

11 MR. RUSTHOVEN: That's correct.

12 MR. KLINEMAN: Just like  
13 everything has ebbs and flows or ups and  
14 downs, it is my understanding that the  
15 environmental people were somewhat concerned  
16 about making the levee out of the Central  
17 Indiana Railroad, and that would have an  
18 adverse effect on the Oxbow.

19 MR. VOWELS: I think the original  
20 investment showed 138 million and by the  
21 time we got to the hearing it was 108  
22 million. Is that where it ended up?

23 MR. RUSTHOVEN: Correct.

1 MR. VOWELS: A boat 20.5 million  
2 and gaming equipment at 14.5 million. This  
3 was also an endorsed candidate, the original  
4 endorsed candidate.

5 MR. SUNDWICK: Certainly the  
6 proximity of downtown is favorable, the fact  
7 that it does help the downtown community.

8 MR. VOWELS: The line-up in the  
9 management, I mean, it certainly is  
10 experience from what we've seen here. I  
11 think it's impressive.

12 MR. KLINEMAN: Nobody can dispute  
13 what an economic impact Conseco has had on  
14 this area of central Indiana, those of you  
15 who aren't from central Indiana can't  
16 realize, it's been quite a boom in the sense  
17 that it's a very quality operation, and it  
18 employs a lot of very talented people which  
19 add to the pool of talent in central  
20 Indiana. And so they are a very substantial  
21 factor there.

22 MR. VOWELS: The last word, was  
23 it a 300 room hotel; is that right?

1 MR. THAR: One hundred has  
2 presented, 300 at either 70 percent or if we  
3 asked them to.

4 MR. KLINEMAN: And the asking  
5 would just be scratching your ear or  
6 something.

7 MS. BOCHNOWSKI: I have a feeling  
8 we've asked for a lot.

9 MR. VOWELS: I never get anything  
10 personally.

11 MR. KLINEMAN: Well, it isn't the  
12 prerogative of myself or really the  
13 Commission, really, to dictate what people  
14 do with their own private money.

15 MS. BOCHNOWSKI: Sure it is.

16 MR. KLINEMAN: I'm kind of hung  
17 up on envisioning this as a destination  
18 place, you know, even a stop-over place back  
19 and forth from Florida. If there was a nice  
20 facility there, they might decide instead of  
21 chasing the kids around Disneyland they'd  
22 like to have some fun for themselves.  
23 Anyway, I can envision a lot of reasons to

1 make it a destination.

2 Anything further on Indiana  
3 Gaming? If not we'll move on to Lady Luck.  
4 Lady Luck, you know, a lot of ways had the  
5 most innovative proposal, the facility just  
6 off I-275 connector with the boat downtown  
7 with the rail service in between and so  
8 forth, I mean, it showed some real  
9 imagination. And as a result of that it got  
10 a good send-off from the environmental  
11 people. It got a good send-off from the  
12 Corps of Engineers. As far as wetlands,  
13 there were none. And as far as cultural,  
14 there were none. And they placed themselves  
15 in a very good position that way.

16 I guess and they were talking  
17 about a 500 room hotel. And I guess their  
18 only environmental question they had was the  
19 RV lot or extra parking, or whatever it was,  
20 which was across the Highway 50 on the side  
21 towards the Oxbow and so forth that might  
22 create some problems, but I'm sure that  
23 would go away if everything else were equal.



1 I guess they didn't illustrate, at least to  
2 me, the kind of financing package that I  
3 think we've seen in some of the other  
4 applicants.

5 MR. THAR: Subsequently, as part  
6 of the additional materials which has been  
7 too voluminous on those to absorb, come up  
8 with a financing package involved. The  
9 information on that was about four inches  
10 thick, and that has been available for  
11 Commission to review. But as of the date of  
12 the presentation, they do not have a  
13 financing package with Primadonna or any  
14 other entity.

15 MS. BOCHNOWSKI: Can you tell us  
16 what is Primadonna? Is that a gaming  
17 company?

18 MR. THAR: I apologize that I  
19 have not been able to get through it and  
20 review all of the other stuff, is part of  
21 the major problem with this type of critical  
22 information coming in at that hour.

23 MS. BOCHNOWSKI: Right.

1 MR. VOWELS: You know, we looked  
2 at the Mississippi operations, and it seems  
3 to be some unfortunate circumstances  
4 financially that went on in Mississippi.  
5 Which I think we need to take into  
6 conversation because probably the increased  
7 competition that went down in Mississippi  
8 really put the squeeze on people.  
9 Hopefully, we won't see any of that for  
10 awhile from Kentucky and Ohio, but I think  
11 that's something we have to consider and  
12 what the past record is on companies and  
13 their strength to face that competition.

14 MR. KLINEMAN: And what concerned  
15 me was the fault which existed on the  
16 bonds. And we were advised that they were  
17 in the process of trying to re-negotiate,  
18 but basically those bonds were all due and  
19 payable. And, obviously, the entity didn't  
20 have the money with which to pay them, so  
21 the creditors were going to be in a position  
22 of having to compromise the original  
23 position that they had negotiated for which

1 was a bond of a certain maturity and certain  
2 interest and so forth with certain  
3 covenants. The covenants having been  
4 violated, the bonds were due, and basically  
5 they're going back to try to re-negotiate  
6 those terms. That bothers me some because  
7 of the -- because those things are really  
8 contracts, and if you breach them, you  
9 breach them.

10 Anything further on Lady Luck?

11 MR. VOWELS: What was the Corps'  
12 attitude, I didn't bring my list here, the  
13 low and high on the cultural?

14 MR. KLINEMAN: Lady Luck was none  
15 and none.

16 MR. SUNDWICK: I would tell the  
17 people of Lady Luck their proposal was  
18 probably the best vision, I think. I mean,  
19 certainly with trying to consider the  
20 traffic flow, understanding the problems of  
21 downtown Lawrenceburg, you ought to be  
22 commended on the vision. I think you've had  
23 a good lot of work and it was an excellent

1 proposal.

2 MS. BOCHNOWSKI: I agree. And I  
3 got the impression there were a group of  
4 really committed citizens who had started  
5 this project, and I really like that. I  
6 feel though that we have some serious  
7 problems with some of the past history, but  
8 I did like the proposal.

9 MR. MILCAREK: I thought it was a  
10 decent proposal. The thing I liked about it  
11 was the suggestion of the rail traffic from  
12 Cincinnati to Indianapolis. I thought that  
13 was a plus. And I believe they mentioned  
14 something about the possibility of a  
15 riverboat, not gambling boat, but some kind  
16 of river traffic running passengers from  
17 downtown Cincinnati, and I thought it was a  
18 definite plus.

19 MR. KLINEMAN: Anything further  
20 on Lady Luck? If not we'll move on to  
21 S.E.S. Boomtown, which I guess S.E.S.  
22 Boomtown Hilton now, one of the late  
23 starters. That's a very attractive proposal

1 on the west side. It obviously, therefore,  
2 has the traffic problems on the same INM  
3 property that Boyd's proposal is on, would  
4 have the same ups and downs vis-a-vis the  
5 traffic. It, likewise as Boyd does, it  
6 shows a wetlands, according to the Corps of  
7 Engineers, being a low category. And it  
8 shows the cultural being in a high category.

9 We subsequently have had some  
10 conversation with, I guess it might even  
11 have been at the hearing, things are  
12 starting to float a little bit, about this  
13 cultural thing. Nobody is really going to  
14 know until they really do the trenching and  
15 really dig and see what's there, but they  
16 rely upon historic documents which from  
17 which the Corps comes up with that.

18 MR. THAR: What actually happens  
19 here, and we talked about Dan Foggerty who  
20 made a presentation with the Department of  
21 Natural Resources, the way this shakes out  
22 is this: Every site in Dearborn County and  
23 historical and archeological categories that

1 divisions figure, has an archaeological  
2 consideration because of where it's located  
3 and property and soil. As of yesterday  
4 three companies had done archaeological work  
5 to date. Those three companies were  
6 Ameristar, Indiana Gaming and S.E.S.  
7 Boomtown. Of those three companies, S.E.S.  
8 Boomtown has progressed furthest. They have  
9 four known sites located on their property  
10 that will be mitigated. But the work with  
11 regard to the archaeological aspect with  
12 regard to that company is further advanced  
13 than the other two, and those three are the  
14 only ones that have done anything. It's  
15 that input from the Department of Natural  
16 Resources that is then given to the Army  
17 Corps of Engineers as part of their  
18 consideration.

19 MR. KLINEMAN: S.E.S. has caused  
20 some concern concerning whether or not the  
21 project that they're proposing could  
22 actually be built for the dollars that they  
23 say it will cost. I guess all of the

1 applicants should understand that this  
2 Commission buys into the project that has  
3 been proposed to us, and we would expect  
4 that that's what we would get whether it  
5 would cost more money than what you had  
6 proposed to put in the project or not would  
7 be not of our concern. We would expect that  
8 that project would be delivered as  
9 represented to us, and we wouldn't expect to  
10 hear that we've had some cost overruns so  
11 we've cut the rollercoaster inside the  
12 building or something else. So, I just  
13 mentioned the amount of money that was shown  
14 to finance this project would probably lead  
15 to be increased, at least according to the  
16 experts on this Commission.

17 MR. SUNDWICK: I think that the  
18 presentation made by Boomtown was an  
19 excellent one. I think their vision in  
20 trying to make Dearborn County a destination  
21 was a good program. I was especially  
22 impressed with their profit-sharing, or I  
23 don't want to say profit-sharing, I guess,

1 revenue sharing with the county. And I know  
2 that they had the backing of the county and  
3 that which is important. I think there's  
4 44,000 people or something like that in  
5 Dearborn County. And tapes you listened to,  
6 the majority of your townships and cities  
7 approve your sharing program.

8 I asked at that same time, and I  
9 would say it again today, that since you  
10 weren't a selected by the city, now you have  
11 another problem, if selected to try to deal  
12 with the city, which would concern me a  
13 lot. We discussed some letters here today,  
14 but I would think that smarter men would  
15 prevail and come up and learn to work  
16 together. But I think the city can't be  
17 forgotten if, in fact, this company was  
18 awarded the certificate of suitability.

19 MR. KLINEMAN: And I would join  
20 in that, having said what I meant to say and  
21 wanted to say about the city in their recent  
22 letters. I would also that say that if  
23 you're going to be a citizen of



1           Lawrenceburg, that it would be important for  
2           you to supply those things which the  
3           infrastructure needs in order for an  
4           operation to be successful. We wouldn't  
5           intend that the citizens of Lawrenceburg be  
6           burdened with costs for infrastructure in  
7           view of the people if you're the people  
8           really causing the need. So, I wouldn't  
9           want to hear any discussions about  
10          Lawrenceburg thinks it's going to cost 15  
11          million dollars and we only think it will  
12          cost 12.5, so we're only going to give  
13          12.5. I think there has to be a lot more  
14          cooperation than that kind of conversation  
15          would indicate.

16                   MR. SUNDWICK: I'm also glad that  
17          Mr. Hilton found it favorable to increase  
18          150 hotel rooms to a destination of more  
19          than 150. So, whoever is here from Hilton  
20          Hotels ought to be commended in that  
21          change. And hopefully you can get that done  
22          with the appropriate funds, if that comes to  
23          pass, because I'm sure it will cost a few

1 more dollars to out a hundred or two hundred  
2 more hotels room on.

3 MR. VOWELS: Good thing, too,  
4 about Hilton, it has to be clear that  
5 Hilton's relationship to S.E.S. Boomtown is  
6 just as high at it was to Rising Sun. They  
7 told us in the hearing that the financing  
8 was guaranteed even if any ownership  
9 interest was denied in the future, and  
10 that's important. That's important to me  
11 from the respect, from the perspective that  
12 there had been applicants in the past who  
13 wanted to amend and come in and denied it.  
14 Anyone who comes along later and wants to  
15 have an ownership interest after the  
16 deadline has passed, I'm not in favor of  
17 that. I like people who play by the rules,  
18 and I didn't get that feeling from Hilton.

19 I think they understood what the  
20 score was here and that they had to give us  
21 unconditional financing here. And they  
22 promised that knowing that it's quite  
23 possible that we could deny the ownership

1 interest later down the road. We've never  
2 been faced with that because we haven't had  
3 a boat in the water yet, and I don't know  
4 how I would react at that time, but I would  
5 certainly stand on principle. So, nothing  
6 sudden be taken from granted, at least from  
7 my vote. Think about S.E.S. Boomtown, and  
8 although they didn't receive the city  
9 endorsement, they basically received the  
10 cities anti-endorsement based upon the  
11 correspondence that we've received. They did  
12 receive the county council endorsement with  
13 a large part of that Dearborn County  
14 population outside of Lawrenceburg. I think  
15 that's important.

16 We heard about the referendum yes  
17 votes and about what the population was  
18 inside of Lawrenceburg versus outside, and I  
19 think that was important. I wrote down the  
20 figures, I'm not going to recite them here  
21 because they may not be absolutely on the  
22 money here. One thing to consider, too, is  
23 with the non-endorsed applicant,

1 Lawrenceburg's commitments to an endorsed  
2 applicant was a revenue sharing plan. So, I  
3 guess the flip side of that is if we would  
4 grant the certificate of suitability to a  
5 non-endorsed applicant, Lawrenceburg would  
6 receive all of their revenue sharing plan  
7 so, therefore, would be making more money  
8 off a non-endorsed candidate.

9 What the personality breakdown was  
10 between this applicant and the city, if we  
11 give the certificate of suitability to  
12 S.E.S., has to be somehow that those fences  
13 have to be mended, you know. There was some  
14 reference to a shotgun wedding and, you  
15 know, that's --

16 MS. BOCHNOWSKI: Well, all along  
17 we've sensed tension between different  
18 communities in this area, and this just may  
19 be a reflection of that. I guess we can't,  
20 the Commission can't take all of these  
21 problems that have developed over  
22 generations, but it would seem to me that  
23 the city of Lawrenceburg is going to have to

1 be a little more generous with the rest of  
2 the county, that there's going to have to be  
3 more accommodations here. And it really is  
4 bothering me all of this antagonism that  
5 we've heard from day one, and it's just got  
6 to be -- it really isn't going to benefit  
7 anybody. This is an opportunity for the  
8 county to make some money, to be able to do  
9 some economic development. And I really  
10 think that whatever we choose, whoever we  
11 choose, everybody is going to have to figure  
12 out a way to make it work.

13 MR. VOWELS: Of course I don't  
14 think we have to think back too far in our  
15 memory of what happens when a non-endorsed  
16 applicant receives a certificate of  
17 suitability with the city's attitude maybe  
18 toward that applicant.

19 MR. SUNDWICK: I think it's about  
20 11 o'clock, a couple hours in there I think  
21 we probably gave everybody back. And I  
22 guess the point is, if it doesn't go our  
23 way, then you get to come back and sit here

1 again. And you can see what happened if you  
2 were here this morning.

3 MS. BOCHNOWSKI: That's okay, Bob  
4 we can work it out.

5 MR. MILCAREK: I thought the  
6 Boomtown S.E.S. was excellent, and it's  
7 pretty high up on the list. I wanted to  
8 note that the Corps of Engineers'  
9 application say this is complete. I like to  
10 take that into consideration. The  
11 possibility of getting the boat on the  
12 temporary site probably a little bit sooner  
13 than anyone else, I think that that's a  
14 positive note. I also want to say that  
15 there's some articles about building in a  
16 floodway. And according to the Corps of  
17 Engineers last week they said that it was  
18 possible to change that rating from a  
19 floodway to a non-floodway. And I think we  
20 should take that into consideration, and  
21 there's some other problems with the site.

22 MR. THAR: I would point out that  
23 as a part of your packet one of the other

1 applicants submitted some research  
2 indicating that may not be true with regard  
3 to that particular site.

4 MR. VOWELS: What wouldn't be  
5 true?

6 MR. THAR: There is legal  
7 problems with building at Boomtown Boyd  
8 site. They didn't -- another applicant for  
9 Dearborn County not at that site raised that  
10 issue. It's not new.

11 MR. SUNDWICK: But it's valid?

12 MR. THAR: Don't know if it's  
13 valid. I just want this Commission to know  
14 that the Army Corps of Engineers appears to  
15 say that site may be a little bit more  
16 buildable than others, that there is an  
17 applicant that has raised the issue with  
18 that.

19 MR. KLINEMAN: Well, as I spoke  
20 before briefly, financing concerns me. You  
21 know, Hilton coming in is a real positive,  
22 but the amount of money they've committed the  
23 to the project minus the amount of money you

1 propose to pay them for their boat, which I  
2 guess I have reached the conclusion that it  
3 might not have been an arms length  
4 resolution, would lead me in a position  
5 where I feel a little insecure getting the  
6 project delivered with the financing that be  
7 needed. I guess that's all.

8 MR. VOWELS: The numbers on the  
9 boat, let's talk about that a second. Mr.  
10 Hilton was going to sell his boat?

11 MR. KLINEMAN: The Louisiana  
12 boat.

13 MR. SUNDWICK: I guess it's 24  
14 and 26 million. Am I right?

15 MR. KLINEMAN: That's wrapped up  
16 in the '95?

17 MR. SUNDWICK: I don't think so.

18 MR. SUNDWICK: If Mr. Hilton sold  
19 the boat, would sell you the boat for 24  
20 million dollars?

21 MR. PARROTT: Correct.

22 MR. SUNDWICK: He then, in fact,  
23 put 19 million dollars into the program?



1 MR. O'BRIEN: That's correct.  
2 Michael O'Brien with Hilton. We're prepared  
3 to sell a fully-equipped boat, which I think  
4 is the important point, into the project for  
5 24 million which is the boat plus all of the  
6 gaming equipment.

7 MR. SUNDWICK: And then Mr.  
8 Hilton characterized he had 19 million  
9 dollars come into the project for 25  
10 percent?

11 MR. PARROTT: That's correct.  
12 There are dollars which are committed.  
13 Hilton is essentially funding the temporary  
14 operation, selling the boat into the  
15 temporary operation, and then putting  
16 effectively an additional 19 million dollars  
17 available for the permanent facility.

18 MR. SUNDWICK: And they've got  
19 the financing through 95 million dollars?

20 MR. PARROTT: And we have secured  
21 and have an unconditional commitment for the  
22 95 million which Hilton guarantees.

23 MR. VOWELS: Was there deal about

1 the sewage treatment, they talked about 12.5  
2 million to Lawrenceburg, was that what that  
3 was talking about, taking care of that  
4 deal? Because Seagrams was talking about  
5 they may have to move if they have to pay  
6 for it, so that put us down to a choice  
7 between gambling and whiskey, which is kind  
8 of funny. My mother would be so proud.

9 MR. KLINEMAN: That's what Hugh  
10 Grant said. We've got to break the tension  
11 once in a while, I guess.

12 MR. VOWELS: Was that it as far  
13 as the 12.5 million in Lawrenceburg and that  
14 was pretty much for that water treatment or  
15 sewer treatment?

16 MR. THAR: My understanding is  
17 Lawrenceburg projected the cost of that  
18 sewage treatment plant around 10.5 million.  
19 Boomtown S.E.S. Boomtown committed to 12.5  
20 million to the city. That's it. That, of  
21 course, is less money than was guaranteed to  
22 the city from any of the endorsed candidates  
23 but also agreed to do the sewage treatment

1 plant.

2 MR. VOWELS: Out of that 12.5  
3 million?

4 MR. THAR: I believe out of the  
5 12.5 million, 10.5 million was the estimated  
6 cost of doing the sewage treatment.

7 MR. VOWELS: Well, I guess the  
8 question would be have they committed to the  
9 sewage treatment plant so we can say we  
10 don't care what it cost, you can pay for  
11 it?

12 MR. THAR: They committed 12.5  
13 million. They say the city can spend it how  
14 they want. You'd have to ask them. I don't  
15 remember that point.

16 MR. PARROTT: Tim Parrott from  
17 Boomtown. The answer is, yes, we are  
18 committed.

19 MR. KLINEMAN: You're going to  
20 have to speak a little louder. The court  
21 reporter can't get this.

22 MR. PARROTT: I'm Tim Parrott  
23 with Boomtown. The answer is, yes, we are

1 committed to the sewage treatment plant.  
2 That was our estimate of the cost it would  
3 cost to complete the plans necessary.

4 MR. SUNDWICK: You felt that it  
5 would cost that much, also, your testimony  
6 earlier you said you gave 12.5 million  
7 dollars, but we don't think it will cost  
8 that much.

9 MR. PARROTT: Yeah, our estimate  
10 was going to be less than that based on our  
11 engineers, correct.

12 MS. BOCHNOWSKI: And I don't  
13 remember, have you committed anything to  
14 roads or a potential bypass or have you  
15 looked at that issue because of your  
16 location?

17 MR. PARROTT: Someone else might  
18 back me up, too, because what we agreed to  
19 in typical development issues is that we  
20 would expect to pay for anything that we  
21 caused the impacts, etcetera. The bypass,  
22 we're all for that, too, but we haven't seen  
23 any estimates that we could use as real --

1 certainly would be in our best interest,  
2 also. The road improvements and anything  
3 that is impacted that we create, we're  
4 prepared to stand behind it and pay for it.

5 MR. KLINEMAN: Anything further?

6 MR. VOWELS: Did we ever get an  
7 answer about what their cost estimate would  
8 be and the fact that it may exceed that  
9 particular quote coming in, that they're  
10 committed to X project no matter what it cost  
11 them?

12 MR. KLINEMAN: Well, that's a  
13 very good question, and we can have him  
14 answer that. I also had received the new  
15 proformas, and I cannot read them. I cannot  
16 see the debt that you're talking about.

17 MR. PARROTT: Is this on the  
18 financing, Mr. Chairman. I think what's  
19 important, and Hilton can stand up if they  
20 disagree, but we and Hilton jointly, which  
21 obviously them being strongly, have a  
22 project with full financing commitment now  
23 of 178 million dollars, I believe, which is

1           20 million dollars over the estimate we have  
2           for our project just as a reserve. As we  
3           have stated before, and I think Mr. Hilton  
4           did also, we are committed to deliver the  
5           project that you looked at, and the cost  
6           responsibility is ours. We do happen to  
7           have the very detailed estimates from Geupel  
8           DeMars on the project. This is not blue  
9           sky. We have built three projects last year  
10          and have a sense, as has S.E.S. and Hilton,  
11          as far as costs. So, we're certainly  
12          respectful of your concern of the total  
13          project cost, but we already have  
14          contingency financing in place for a  
15          considerable amount of excess now.

16                   MR. KLINEMAN:     And how many rooms  
17                   are we talking about, still the 150 at the  
18                   178 million estimate?

19                   MR. PARROTT:     No, I think Mr.  
20                   Hilton said it best, and he was thinking 300  
21                   to 400 rooms minimum to start with. I don't  
22                   think he's ever seen a 150 room Hilton  
23                   before.

1 MR. SUNDWICK: The second part of  
2 that was that, you know, you didn't have  
3 that 300 to 400 group with 178 million  
4 dollars, that wasn't part of it?

5 MR. PARROTT: Again, we are, as  
6 you recall, even the two license scenario,  
7 we were look at financing of 220 million.  
8 We are prepared to complete the project as  
9 it necessary, and the cost as it has always  
10 been for us, and I'm sure other applicants,  
11 is our burden to bear. But the 300 room  
12 plus commitment is in addition to building  
13 the project that we presented to the  
14 Commission last week.

15 MR. KLINEMAN: So, it is a  
16 minimum of 300 rooms now?

17 MR. O'BRIEN: That's correct, Mr.  
18 Chairman. Mr. O'Brien from Hilton. I would  
19 confirm that. The minimum hotel that we  
20 will commit to build in this project will be  
21 300 rooms.

22 MR. KLINEMAN: And that will be  
23 part of the initial project, it's not going

1 to be something that's coming along later?

2 MR. O'BRIEN: That's correct.  
3 We've had this balancing act in terms of  
4 what we tell the Commission with respect to  
5 the original application and then some of  
6 the refinements of that original  
7 application. We will build as a part of  
8 Phase One from the get-go a 300 room hotel.

9 MR. KLINEMAN: Well, I might say  
10 that, you know, your rollercoaster, I'm not  
11 too sure I want to ride it outside during  
12 the winters down in Lawrenceburg, because I  
13 notice it runs partially inside the building  
14 and partially outside. But it certainly has  
15 some pizzazz to it, and I think you would  
16 tend with that. And I think I saw it.

17 Anything further about Boomtown  
18 S.E.S. Hilton? Well, I think that kind of  
19 brings us to the end of going through the  
20 applicants one by one. I think I would note  
21 for the record that we have, in fact,  
22 received non-compete representations from  
23 each one of the applicants. Since I have



1 indicated before, I'm not in a position to  
2 negotiate it, but at least we've got some of  
3 them, or maybe for a smaller distance than I  
4 would have liked, but I'm not going to get  
5 into that particular aspect of it.

6 Anybody have anything they want in  
7 addition to what I've already taken out in  
8 connection with Lawrenceburg?

9 MS. BOCHNOWSKI: Well, it's just  
10 that we got a number of letters in the last  
11 minute that indicated some support for the  
12 east side location from some businesses, so  
13 I don't know if that is a concern that  
14 putting it on the west side will, in fact,  
15 impact negatively on the downtown, but I  
16 know that the environmental concern is a  
17 strong one for me.

18 MR. THAR: We have received  
19 letters supporting each of the applicants  
20 from different constituents. For instance,  
21 one of the letters that have come in  
22 suggests that Boyd Gaming does the best job  
23 of integrating downtown to their project

1 without adversely impacting --

2 MS. BOCHNOWSKI: And they have a  
3 trailway system to the downtown?

4 MR. THAR: Yeah. And so that is  
5 a matter of everybody has some support  
6 somewhere from them.

7 MS. BOCHNOWSKI: Okay. So that  
8 it all kind of washes out, in other words?

9 MR. THAR: Well, I'm not going to  
10 say that it washes out, I'm just saying  
11 there's letters in support of almost every  
12 applicant and almost every area. The most  
13 negative; that is, letters saying we do not  
14 want this particular project with regard to  
15 the S.E.S. Boomtown.

16 MS. BOCHNOWSKI: And those are  
17 the ones we're familiar with?

18 MR. THAR: Yes.

19 MR. KLINEMAN: Anything further?  
20 I don't mean to prolong the agony of the  
21 applicants, but I think we will take a  
22 ten-minute break before we come back and  
23 have the primaries, and then we'll go right

1 into the general election. We'll finish  
2 this up. So, we'll be back about a quarter  
3 after four.

4 (A short break was taken off the  
5 record, after which the following  
6 proceedings were had.)

7 MR. KLINEMAN: Could we come back  
8 to order. After that break we're going to  
9 go straight through and make a decision and  
10 conclude this matter.

11 If you remember, we're going to  
12 have this, I keep referring to it as a  
13 primary. Each of the Commissioners has  
14 three votes. Those companies which will  
15 receive the highest number of votes will  
16 then move into the finals, which two or  
17 three or four, whatever. In cases of ties,  
18 they will be continue into the finals. So,  
19 with that we will move. Mr. Thar will keep  
20 track of how many times the Commissioners  
21 have voted and who's got the most votes.  
22 And we will start again alphabetically and  
23 call the names, and all of those in favor o

1 a candidate moving into the finals. As I've  
2 indicated, the fact that one of the  
3 candidates may receive even a majority at  
4 this stage doesn't mean that that's a  
5 foregone conclusion that they're going to  
6 get it. It's just in the eyes of the  
7 Commissioners that they are entitled to move  
8 forward to the finals.

9 MR. THAR: Further deliberation  
10 is what you mean.

11 MR. KLINEMAN: Okay. All of  
12 those in favor of Ameristar moving forward,  
13 raise their right hand.

14 (Mr. Klineman, Dr. Ross and Mr.  
15 Milcarek so indicate.)

16 MR. KLINEMAN: All of those in  
17 favor of the Boyd Gaming moving into the  
18 next round, raise their right hand.

19 (Mr. Vowels, Ms. Bochnowski, Mr.  
20 Sundwick and Mr. Milcarek so indicate.)

21 MR. KLINEMAN: All of those in  
22 favor of Empire moving into the next round,  
23 raise their right hand.

1 (Dr. Ross so indicates.)

2 MR. KLINEMAN: All of those in  
3 favor of Indiana Gaming moving into the next  
4 round, raise their right hand.

5 (Mr. Vowels, Dr. Ross and Ms.  
6 Bochnowski, Mr. Klineman and Mr. Sundwick so  
7 indicate.)

8 MR. KLINEMAN: All of those in  
9 favor of Lady Luck moving into the next  
10 round, raise their right hand.

11 (No one indicated.)

12 MR. KLINEMAN: All of those in  
13 favor of Boomtown S.E.S. moving into the  
14 next round, raise their right hand.

15 (Mr. Vowels, Ms. Bochnowski, Mr.  
16 Klineman, Mr. Sundwick and Mr. Milcarek so  
17 indicate.)

18 MR. THAR: By my count, Boyd  
19 Gaming, Indiana Gaming, S.E.S. Boomtown were  
20 the three with the highest votes being 4, 5  
21 and 5 respectively.

22 MR. KLINEMAN: Give the list  
23 again.

1 MR. THAR: Boyd Gaming, Indiana  
2 Gaming, S.E.S. Boomtown.

3 MR. KLINEMAN: All right. Any  
4 further discussions on any of these, anybody  
5 want to make a pitch for one or more of  
6 these candidates?

7 MR. VOWELS: The trouble is  
8 they're all good, and that's what -- I guess  
9 could start off with, I can start off with  
10 any of the three. Indiana Gaming has that  
11 site that may be limited. They have made  
12 some commitment to expand on what their  
13 hotel could be. Talked to Indiana people, a  
14 lot of money. Relationship with the city.  
15 Although, from what we've talked about we  
16 haven't been pleased, or I haven't been  
17 pleased with the attitude that's gone on  
18 down there, but that's something that we  
19 have to take out of it, and I don't know  
20 think it has to do with anything this  
21 morning in a situation like this.

22 You know, Boyd is a good company,  
23 we talked about all of that. I think if

1           they're not here, they'll get another shot  
2           up in Hammond, which is nice.

3                   S.E.S. Boomtown, impressive the  
4           people that we saw in the presentation, very  
5           impressive, former governor of Nevada and  
6           all of that. I said it's pretty much even  
7           right now on these three.

8                   MS. BOCHNOWSKI: I really feel  
9           the same way. I want somebody to give me a  
10          reason one over the other. These are great  
11          companies.

12                   MR. SUNDWICK: Well, I don't  
13          think I can give anybody a reason. I happen  
14          to agree with the three, certainly the top  
15          picks. I am still a proponent of the east  
16          side. I know there's a lot of problems on  
17          the east side of the community as far as the  
18          wetlands are concerned. I also understand  
19          that it's a better traffic environment for  
20          the county. And there's still going to be  
21          traffic on 50 going to the boat in Rising  
22          Sun, so I think we have an opportunity for  
23          the people of Aurora and within the Dearborn

1 community to have additional business  
2 opportunities. Certainly, the proximity  
3 closer to downtown would help Lawrenceburg's  
4 downtown and notwithstanding the nine inches  
5 it would take to make the railroad nine  
6 inches higher, Greendale would benefit by  
7 the east side. I think the marketing of a  
8 boat that you could see from 275 bypass  
9 would be important. I think it says when  
10 you drive through that the people that have,  
11 you look over and see a facility from the  
12 expressway, and I certainly think that  
13 creates a destination in and of itself, so I  
14 think the expansion of the 13 acres  
15 certainly gives some of the opportunity to  
16 expand and build that 300 room hotel.

17 And that's -- and the other  
18 companies, and I could go on about the other  
19 two. I'm sure somebody will get to that and  
20 will have favorable comments about those  
21 companies.

22 MS. BOCHNOWSKI: You know, you're  
23 talking here about Indiana Gaming. One of



1 the concerns is -- let's say, and I  
2 definitely haven't made up my mind between  
3 these three -- but if Indiana Gaming were to  
4 get the license, is the city going to work  
5 with the county and do better? Because  
6 that's a concern. I mean, I think that  
7 we're very concerned that this is not yet,  
8 this should not -- this is not yet a final  
9 format here. I don't think that it's in  
10 good format. I just don't like the fact --  
11 I know you've signed agreements and all of  
12 that, but I don't like the fact that a 4,000  
13 person community can take the lion's share  
14 from a 40,000 person county. I really feel  
15 strongly about that, and these agreements  
16 have been signed. And I'd like to see some  
17 movement on the city's part, I'd like see  
18 some movement on everybody's part here.

19 MR. SUNDWICK: I think that goes  
20 for all of the, either the endorsed  
21 candidates or non-endorsed candidates that  
22 will be selected here today. There's got to  
23 be some better communication and some

1 fairness in this or it won't work. I mean,  
2 we're not going to be a party to -- you can  
3 see this morning we're still arguing. And  
4 we have no intentions of going through this  
5 again. So, I think it would smarter and  
6 wiser to come together. I think Ann's  
7 right.

8 MR. THAR: Well, then, if that's  
9 a concern of the Commissioner, you might  
10 want to pose to the endorsed applicant as  
11 well as the city of Lawrenceburg whether or  
12 not they would agree to withdraw that  
13 development agreement if the Commission  
14 decides that's what they would like to see  
15 done and maybe redone in a different format  
16 taking into account those things needed by  
17 the city.

18 MS. BOCHNOWSKI: I think that  
19 that would -- I would like to hear about  
20 that. Maybe the city can go first.

21 MR. KLINEMAN: Are we talking the  
22 revenue sharing, are we talking the  
23 infrastructure? What are we talking about?

1 MS. BOCHNOWSKI: Development  
2 agreement, start over.

3 MR. THAR: The revenue sharing  
4 agreement is something the city did on its  
5 own. The development agreement is something  
6 the city has negotiated with various  
7 candidates including these three endorsed  
8 candidates. The issue raise by Bob and Ann  
9 is they don't like the way the development  
10 agreement is. The question is: Is the city  
11 and the applicants that have signed the  
12 development agreement willing to pull out of  
13 that without lawsuit. If one side isn't,  
14 then you have litigation, there's nothing we  
15 can do about that contract. So, if they're  
16 not willing to pull out, then the issue is  
17 whether or not you want to deal with that  
18 development agreement as is.

19 MR. SUNDWICK: We have the same  
20 problem with the non-endorsed candidates.  
21 They're willing to participate with the city  
22 to the extent that the city needs and  
23 requires help, so I think it's in their

1 interest to be fair. So, if we could take  
2 that out of it, we certainly would look at  
3 it a little differently.

4 MR. THAR: The question posed to  
5 Lawrenceburg, are you willing to withdraw  
6 from the development agreement with an  
7 endorsed candidate?

8 MR. TREADWAY: Commission Members  
9 and Director Thar, my name is Scott  
10 Treadway. I'm counsel for the city of  
11 Lawrenceburg. Certainly the city would be  
12 willing to consider anything this Commission  
13 requests. But I would, I guess, strongly  
14 suggest, many of the development issues that  
15 can delay this project were resolved in  
16 those development agreements, and we think  
17 it could substantially set back the  
18 construction of the projects with any of the  
19 candidates be they endorsed or non-endorsed  
20 candidates. Certainly I talked to the mayor  
21 and they would be willing to consider that.  
22 Quite candidly, the city thinks it would be  
23 a serious mistake for that request to be

1 made because we think it could substantially  
2 delay the project simply having gone through  
3 that process over many months. Many of  
4 those development issues were resolved that  
5 I think permit this project to start and  
6 start quickly.

7 MR. THAR: You were asked during  
8 the presentation last time whether or not  
9 you would be willing to step out of that if  
10 the Commission did not like the development  
11 agreement. Two commission members have  
12 indicated they don't care for the way the  
13 development is. What's your position?

14 MR. TREADWAY: It was my  
15 understanding the question that was posed  
16 was given were there certain provisions of  
17 that agreement the Commission was  
18 uncomfortable with, would the endorsed  
19 candidate and the city be willing to  
20 renegotiate those provisions. Certainly we  
21 would be willing to do that. I didn't  
22 understand that question to mean for both  
23 parties to rescind the entire agreement.

1 MS. BOCHNOWSKI: We're not  
2 expecting you in a sense -- I mean, if there  
3 is -- I'm sure there are legitimate  
4 infrastructure --

5 MR. KLINEMAN: I would like to  
6 narrow the discussion. The bulk of the  
7 development agreement is, I'm sure, not  
8 anything that we need to be concerned with.  
9 I guess we're concerned with the monies, the  
10 infrastructure commitments made by the  
11 endorsed candidates and the revenue sharing  
12 that you have on your own indicated. Now, I  
13 guess it's my understanding that most of the  
14 infrastructure benefits all of the citizens,  
15 or a lot of it. For instance, the sewer  
16 plant is, in fact, going to serve other  
17 people other than Lawrenceburg?

18 UNIDENTIFIED MAN: That's  
19 correct. That would serve Aurora,  
20 Lawrenceburg, Greendale and also Seagrams.

21 MR. KLINEMAN: Okay. So, is  
22 there anything that is pure Lawrenceburg  
23 which would have no benefit except to be

1           some icing on some something that  
2           Lawrenceburg thought they would get?

3                   MR. TREADWAY:    If you look at the  
4           infrastructure money, there was  
5           approximately 22 million dollars in  
6           infrastructure money, just slightly less  
7           than 11 million dollars was for the  
8           wastewater treatment plant.   Those other  
9           monies go as a result of traffic issues, the  
10          dedicated funds for ramp-overs,  
11          signalization.  They go to things like fire  
12          protection.  Lawrenceburg has fewer things  
13          like fire trucks and ambulances.  Quite  
14          candidly, the city asked its engineer to  
15          conduct a detailed study, tell us what we  
16          need if we get a riverboat to provide fire  
17          protection, ambulance and things of that  
18          nature, and found out that they had serious,  
19          serious shortcomings, and then asked the  
20          engineer to put a price tag on those so they  
21          could afford to pay for them, and that's  
22          really what makes up that 22 million  
23          dollars, and all the endorsed candidates

1                   were willing to fund those things fully.

2                   MR. KLINEMAN:     Then let's ask an  
3                   unendorsed finalist what they think about  
4                   the infrastructure aspect of the development  
5                   agreement which I'm sure you're very  
6                   familiar with and what kind of commitment  
7                   are you willing to make vis-a-vis those  
8                   infrastructure things.

9                   MR. O'BRIEN:     Mike O'Brien,  
10                  Hilton. I think one of the things that it's  
11                  important to do here is develop a vocabulary  
12                  in terms of what we're talking about with  
13                  infrastructure. We've been talking here  
14                  about a number of 12.5 million dollars. I  
15                  think that some other members of our group  
16                  can elaborate, if the Commission feels it  
17                  needs elaboration. However, the roadway  
18                  portion of that in our plan is being  
19                  essentially provided for by the state, and  
20                  we're talking about, at least as appointed  
21                  departure, 12.5 million dollars in addition  
22                  to those dollars which have been made  
23                  available to mitigate traffic problems, so I



1 think we need to be putting this thing on an  
2 apples to apples comparison.

3 MR. KLINEMAN: That's what I'm  
4 trying to do.

5 MR. O'BRIEN: Yes, sir, I  
6 understand.

7 MS. BOCHNOWSKI: And how do you  
8 feel about such issues as police and fire  
9 protection?

10 MR. O'BRIEN: I think that we're  
11 ready, willing and able and, in fact,  
12 looking forward to engaging the community in  
13 discussion about that. I think the fact of  
14 the matter is that Hilton builds projects  
15 all over the United States, all over the  
16 world. We're, just by way of example,  
17 building a major project in Kansas City  
18 which has significant infrastructure issues  
19 as a part of the development agreement that  
20 we have with the agencies in Kansas City.  
21 And we're very accustomed and have never  
22 failed to reach accommodation with the local  
23 community. We are a good corporate citizen.

1 We look forward to engaging in that dialogue  
2 that we have never failed to.

3 MR. KLINEMAN: I appreciate all  
4 of that, and I don't mean to cut you short.  
5 But, I mean, there are items in the  
6 development agreement which you think are  
7 unnecessary, is that what you're telling  
8 me? That's all I need to know. If there's  
9 items that you don't have are necessary or  
10 not your responsibility in any way, shape or  
11 form even though the other two endorsed  
12 candidates have agreed to supply it to  
13 Lawrenceburg, just tell me and then we'll  
14 know where we are.

15 MR. TREADWAY: Chairman Klineman,  
16 it might be helpful, Doug Ralston of PDR  
17 Engineers is here, and he could very quickly  
18 tell the Commission exactly what those items  
19 are made of up in terms of the laundry list,  
20 and it may facilitate this discussion.

21 MR. KLINEMAN: Would that be  
22 helpful of you, Mr. Stunkel?

23 MR. STUNKEL: Maybe.

1 MR. KLINEMAN: Okay. Well, let's  
2 have the engineer then real quick. We don't  
3 want to delay this decision.

4 MR. VOWELS: I think we're losing  
5 it on names for this lady over here, so be  
6 certain that you give her your name.

7 MR. RALSTON: Doug Ralston with  
8 PDR Engineers. The 21.8 million dollars  
9 consists of 10.3 million for the wastewater  
10 plant, I'm going to give you approximates,  
11 water system improvements which include  
12 above ground storage which is a necessary  
13 element for any fire protection for any  
14 development, and approximately one mile of  
15 12-inch water line which is essential to get  
16 the water to the tank, wherever the tank  
17 main to be located, whether it be east or  
18 west it's approximately a mile.

19 There is severe electrical needs  
20 for any development, big electrical needs,  
21 two substations minimum plus the existing  
22 electrical network will not handle a gaming  
23 company on either side, so there's going to

1 have to be monies. With the exception of  
2 the traffic, we have 7 million dollars  
3 estimated for engineering and traffic  
4 improvements. That includes the ramp-over  
5 system, and that's the far-out figure. If  
6 it's on the other side of town, the west  
7 side, then those monies probably wouldn't  
8 all be needed for traffic. But it must be  
9 understood that signalization improvements  
10 within Lawrenceburg are needed, not just  
11 widening lanes, you've got to have other  
12 things to go with it. Plus, you have to  
13 have entrance ramps, things to get into any  
14 site. So, low estimate, there's probably 17  
15 million dollars in needs, 17 to 18.

16 MS. BOCHNOWSKI: Some of that  
17 like the entrance, I mean, that's included  
18 in their price.

19 MR. RALSTON: I'm taking those  
20 out. I'm taking 5 million dollars that  
21 they've set aside. You've still got 17 to  
22 18 million dollars that are necessary  
23 elements for the infrastructure for

1 Lawrenceburg for any gaming company.

2 MS. BOCHNOWSKI: Because I would  
3 even think the substations would be  
4 something that you would include in your  
5 estimate to build.

6 MR. RALSTON: You've got to have  
7 substations.

8 MS. BOCHNOWSKI: That's what I'm  
9 saying, sure, you'd have to.

10 MR. RALSTON: They're not needed  
11 unless a gamer comes into town.

12 MR. KLINEMAN: Do you have a  
13 municipal utility, is that the thing?

14 MR. RALSTON: Yes.

15 MR. KLINEMAN: So, you're not  
16 PSI?

17 MR. RALSTON: No, it's their own  
18 utilities.

19 MR. SUNDWICK: I guess the point  
20 is, we can sit here and laundry list all of  
21 them. I guess, is there a willingness on  
22 everybody's part to make and meet these  
23 commitments? I think it just makes common

1 sense.

2 MR. KLINEMAN: If you'd identify  
3 yourself for the record.

4 MR. STUNKEL: Gene Stunkel  
5 S.E.S.. The answer to the last question is  
6 yes. And we've also taken a very close look  
7 at these infrastructure requirements. And  
8 some of these may be in our budget, which I  
9 think they are. The signalization, the  
10 entrance, and some of that stuff is already  
11 there. I don't think we have put funds in  
12 there for an overpass, that wasn't in our  
13 design plans. But we're willing to take  
14 care of those infrastructures which are  
15 going to be required for the city for public  
16 safety and health and fire, water, sewer,  
17 those were all committed to us and our plan.

18 MR. KLINEMAN: Well, have we  
19 accomplished anything? Have we narrowed  
20 down the items which are necessary in which  
21 now the unendorsed candidate would supply,  
22 or are we still out?

23 MS. BOCHNOWSKI: What about a

1 better share to the rest of the county?

2 MR. KLINEMAN: Ann, excuse me  
3 just a minute. Let's handle this. We'll go  
4 into the revenue sharing in a minute.

5 MR. TREADWAY: The only way we  
6 can answer that question is at the time of  
7 the endorsed companies' proposals, we were  
8 able to look at those proposals. We knew  
9 exactly what they were doing and what they  
10 were planning. And we specifically asked  
11 the engineer to take a hard look at those  
12 proposals, and we're talking about both east  
13 and west side sites, and tell us what we  
14 needed in cost. And that's what we  
15 generated in growth. If, in fact, someone  
16 else is willing to commit to those funds,  
17 that's what we think it's going to take to  
18 address these infrastructure engineering  
19 regardless of who does it.

20 MR. KLINEMAN: I don't think we  
21 got any yes's yet.

22 MS. BOCHNOWSKI: I sense a  
23 willingness, though.

1 MR. PARROTT: Mr. Chairman, this  
2 is Tim Parrott. We did say yes to those  
3 commitments.

4 MR. KLINEMAN: To all of the  
5 infrastructures that were outlined by the  
6 engineer?

7 MR. PARROTT: That's correct,  
8 sir.

9 MR. KLINEMAN: Then the next  
10 item, Ann, was the revenue sharing.

11 UNIDENTIFIED MAN: Naturally, we  
12 base the revenue sharing on the companies  
13 that we have an agreement with. And if it  
14 is a non-endorsed company, then we'd have to  
15 sit down and re-negotiate. But I'm sure  
16 that the council would be willing to sit  
17 down with the endorsed companies and  
18 re-negotiate and try to do a better revenue  
19 sharing with the county, but we felt at the  
20 times it was good revenue sharing.

21 MS. BOCHNOWSKI: But you're  
22 already getting a lot of the cost that  
23 you're concerned are already being covered



1 in this development agreement?

2 UNIDENTIFIED MAN: Well, that's  
3 true. But, you know, the city of  
4 Lawrenceburg will be greatly impacted, a lot  
5 more than the other communities.

6 MS. BOCHNOWSKI: We still figure  
7 you're going to get the most or the larger  
8 share.

9 MR. RALSTON: Doug Ralston, PDR  
10 Engineers. I'd like to speak to that for a  
11 moment. I've been the engineer for  
12 Georgetown, Kentucky, for the last six  
13 years, responsible for all of their  
14 projects. Toyota has brought 6,000 jobs  
15 into a community of 10,000, and we cannot  
16 recognize all of the needs today. Believe  
17 me, the 21.8 million dollars is the minimal,  
18 is the least. There are going to be things  
19 that impact Lawrenceburg. We don't know  
20 what they are. And then we they set up the  
21 50 percent, they were really thinking we're  
22 going to need these monies. And they had a  
23 list of projects prioritized that would take

1           that 50 percent and more for the next five  
2           years. Then I'm not saying the city should  
3           re-think that, but believe me, there are  
4           going to be things that impact the city of  
5           Lawrenceburg by riverboat that we don't know  
6           about and they need money.

7                       MR. SUNDWICK:   And it will affect  
8           the county the same way, we understand  
9           that. The only thing I think you need to  
10          think about is they're going to have impact,  
11          too. The only thing we're asking you is to  
12          agree to look at your revenue sharing  
13          program, and I don't think that's -- we're  
14          not asking you for the world. Re-look at  
15          those programs.

16                      MR. TREADWAY:   The only point I  
17          would add to that, I think there is a much  
18          higher probability that the city is going to  
19          be able to fund what I'll call county-wide  
20          projects of one of it's endorsed candidates  
21          because the other benefit, each of those  
22          companies have made significant financial  
23          commitments to the city, and I think we are

1 going to place the city in the position to  
2 do those kinds of things. And those  
3 commitments range anywhere from 30 to 40  
4 million dollars. So, I think the likelihood  
5 of improving the county overall is greatly  
6 increased.

7 MR. SUNDWICK: And I agree with  
8 you. I think you ought to give the money to  
9 the county and let the county figure it out  
10 instead of them having to come to  
11 Lawrenceburg.

12 MR. TREADWAY: I understand, and  
13 I don't disagree with you.

14 MR. KLINEMAN: Well, I guess we  
15 have some apples and apples and apples, but  
16 I'm not sure we've got them all. But it was  
17 of concern, particularly the infrastructure  
18 aspect and the revenue sharing, that you've  
19 heard. Anything further?

20 MR. THAR: To each of the groups,  
21 Boyd Gaming, what is your start-up time,  
22 what is your time line from grant of  
23 certificate of suitability to opening, or do

1           you need it from Corps of Engineer permit to  
2           opening.

3                   MR. BOYD:    Yes, Bill Boyd,  
4           Chairman of Boyd Gaming.  After the Corps  
5           approval, it will be four months for the  
6           temporary site and another four months for  
7           the permanent site.

8                   MR. THAR:    Thank you.  Indiana  
9           Gaming, same question.

10                  MR. LONG:    Mr. Thar, after the --

11                  MR. KLINEMAN:   Your name?

12                  MR. LONG:    My name is Tom Long,  
13           Argosy Gaming Company.  We would be, as our  
14           time line showed, if the city program  
15           obtains their permitting in December, we  
16           would be prepared to open this as soon as  
17           approximately 30 days after the city  
18           receives their permit.

19                  MR. THAR:    The Corps has advised  
20           that the city's permit will not be allowed  
21           to be utilized for a riverboat operation.

22                  MR. LONG:    That is an issue that  
23           we will -- when our permanent site is

1 approved, then we understand that as a  
2 temporary site would be approved at the same  
3 time.

4 MR. THAR: That's correct with  
5 yours. With the city's program, it will  
6 not. Can you give me your time line,  
7 please, from the Corps permitting at your  
8 site to opening, whether it's temporary or  
9 permanent?

10 MR. LONG: That would be  
11 approximately, that would be approximately  
12 six months after we receive our preliminary  
13 certificate of approval.

14 MR. THAR: From the Corps?

15 MR. LONG: Yes, sir.

16 MR. THAR: Boomtown, S.E.S.?

17 MR. LIST: Bob List with  
18 Boomtown. Ninety to one hundred and twenty  
19 days from today to open at our temporary  
20 site. We open within one year the permanent  
21 site, within one year of that date.

22 MR. KLINEMAN: I appreciate that  
23 answer, but I think we have learned from the

1 Corps that the Corps is not going to approve  
2 temporary sites until they approve the  
3 permanent site. Have you taken that into  
4 consideration?

5 MR. THAR: Temporary and  
6 permanent site approval will be viewed by  
7 the Corps as a package.

8 MR. LIST: That's correct. We  
9 understand that, and we anticipate that the  
10 permits would be issued for both sites, we  
11 believe, within 90 to 120 days. And we  
12 would be ready to open, as a matter of fact,  
13 within a day or two because of the existing  
14 marina.

15 MR. THAR: I don't know how  
16 quickly they can get the permits because the  
17 Corps has shown that it's low high. The  
18 Corps has indicated the temporary site is  
19 only opened upon permit, so I just don't  
20 know how solid that 90 to 120 days is.

21 MS. BOCHNOWSKI: But after the  
22 permit is granted, you would be able to  
23 start up also immediately.

1 MR. LIST: That's correct. All  
2 of our archeological is done. We're ready  
3 for the hearing of the Corps of Engineers.  
4 And because we have an existing marina, we  
5 recognize that we can start virtually  
6 immediately once the permanent site is  
7 permitted where the real permitting activity  
8 is centered.

9 MR. SUNDWICK: I just had a  
10 question, Jack, on the Indiana Gaming. It's  
11 six months after the Corps approves?

12 MR. THAR: After the Corps issues  
13 the permit, is that your time line?

14 MR. LONG: Thirty days after the  
15 Corps approves us, Mr. Sundwick, we would be  
16 up and open.

17 MR. THAR: Where? That's my  
18 question. I mean, on that 30 days, where is  
19 it going to be?

20 MR. LONG: The city site.

21 MR. THAR: Okay. What the Corps  
22 has instructed us is that the city site --  
23 the city originally applied for a permit for

1 riverboat gaming. The Corps said will not  
2 accept that application because you'll never  
3 get a license. The city went back and said  
4 we would like to get a permit, then, for an  
5 excursion boat. The Corps has advised with  
6 regard to that city permit, they will  
7 condition that a riverboat cannot use it.  
8 So, the city site, if that's the one you're  
9 discussing, the Corps has advised us cannot  
10 be used. So, that's why I'm asking at what  
11 site, what time line?

12 MR. LONG: Can I have one minute  
13 to talk with PDR? They can clear that up.

14 MR. RALSTON: Doug Ralston with  
15 PDR. I had conversation just this week with  
16 Mr. Doug Shelton. The city's permit is  
17 being filed as an excursion boat. It will  
18 take about 60 more days for approval and  
19 about three to four months for construction.  
20 The city will have a site for excursion  
21 boats. If the applicant so chooses, they  
22 can file on their temporary boat, the intent  
23 to use the city's docking zone. And,



1 indeed, it can be permitted as such,  
2 according to Mr. Shelton, but it cannot be  
3 permitted as such until they get their  
4 permanent site approved.

5 MR. THAR: That's true. But it  
6 is not true that the city can get it to be  
7 used for a riverboat. You're saying they're  
8 going to piggyback on your application?

9 MR. RALSTON: No, it's a separate  
10 application all together, sir.

11 MR. THAR: Then it is based upon  
12 the time line for the approval of your  
13 permanent, then temporary?

14 MR. RALSTON: That's exactly  
15 correct.

16 MR. SUNDWICK: How long is that  
17 time line before you feel that you'll get  
18 approval?

19 MR. LONG: Tom Long from Argosy  
20 Gaming Company. We believe that a permanent  
21 approval from the Corps would be in the area  
22 of six to nine months from today or the time  
23 in which we would be given a preliminary

1 certificate of approval. As soon as that  
2 opens, we would then piggyback under the  
3 cities and do as PDR said.

4 MR. SUNDWICK: They're talking  
5 about 90 to 120 days for Corps approval?

6 MR. SMITH: No. This is Steve  
7 Smith with Boomtown. The difference is that  
8 the temporary site, because it's a permitted  
9 activity, existing permitted activity. The  
10 day the Corps of Engineers grant the  
11 permits, whatever time it takes, the Corps  
12 said six months. I've worked there too long  
13 to argue with them. I don't think that's  
14 right, but if it is six months, it doesn't  
15 matter. That day we can begin operation at  
16 a temporary site. Every other site has to  
17 do some construction work after that day.  
18 So, the difference, to try to clear it up,  
19 with a temporary site that's existingly  
20 permitted, the day the Corps passes the  
21 permit, you can open and operate as a  
22 riverboat casino.

23 MR. SUNDWICK: Six months, six

1 months?

2 MR. SMITH: There is no  
3 construction time required at the temporary  
4 site for Boomtown. And the reason Governor  
5 List has said 90 to 120 days is because all  
6 the work that is requires, and that's why we  
7 can confidently say faster than six months.  
8 But whatever that time period is, the  
9 difference between all the applicants is we  
10 can open that day.

11 MR. KLINEMAN: Anything further,  
12 Mr. Thar?

13 MR. THAR: No. Just with regard  
14 to all three of these applicants, there is  
15 no -- background investigation does not  
16 reveal any statutory prohibitions of one of  
17 these three applicants in obtaining a  
18 license.

19 MR. KLINEMAN: Okay. If there's  
20 nothing further, do I hear a motion to  
21 approve an applicant? We'll all vote by  
22 raising our right hands after it's been  
23 seconded.

1 MR. SUNDWICK: I move that we  
2 grant a license or certificate of approval  
3 to Indiana Gaming.

4 MR. KLINEMAN: Is there a second  
5 to that?

6 DR. ROSS: I'll second.

7 MR. KLINEMAN: It's been moved  
8 and seconded. All those in favor of Indiana  
9 Gaming, please raise their right hand.

10 (Dr. Ross, Mr. Vowels and Mr.  
11 Sundwick so indicate.)

12 MR. KLINEMAN: That's three. I  
13 guess that motion then fails. Is there  
14 another motion? Fails to win a majority.

15 MR. MILCAREK: I would like to  
16 move that we nominate Boomtown.

17 MR. KLINEMAN: Is there a second  
18 to that? That was a nomination for  
19 Boomtown. Is there a second to that?

20 MR. VOWELS: I'll second.

21 MR. KLINEMAN: Mr. Vowels  
22 seconded. All of those in favor of  
23 Boomtown, please raise their hand.

1 (Mr. Vowels, Mr. Klineman and Mr.  
2 Milcarek so indicate.)

3 MS. BOCHNOWSKI: I guess I need  
4 to make a motion. I move that we grant the  
5 certificate of suitability to Boyd Gaming.

6 MR. KLINEMAN: Is there a second  
7 to that motion?

8 DR. ROSS: I second it.

9 MR. KLINEMAN: All of those in  
10 favor of Boyd Gaming, please raise their  
11 hands.

12 (Dr. Ross, Mr. Vowels and Ms.  
13 Bochnowski so indicate.)

14 MR. KLINEMAN: I think we're into  
15 a situation where we will now entertain  
16 other motions or further discussion,  
17 whichever the Commissioners wish in this  
18 respect. We have had a 3, 3, 3 tie.

19 MR. THAR: Do you want to take a  
20 five minute break?

21 MR. KLINEMAN: Yeah, I think we'll  
22 take a five-minute break, and I mean five  
23 minutes. We're coming right back.

1 (A short break was taken off the  
2 record, after which the following  
3 proceedings were had.)

4 MR. KLINEMAN: Okay. Could we  
5 come back to order, please. In order to try  
6 to get some movement, as a surprise to the  
7 applicants we're going to have each of them  
8 give us a two-minute pitch. And we'll go in  
9 alphabetical order as we have all along.  
10 We'll put Boyd up first, and we really do  
11 need two minutes on the clock.

12 MS. BOCHNOWSKI: I would ask,  
13 too, that you would give us in your pitch a  
14 figure of how much you're going to be  
15 spending just so, you know, the total, you  
16 know what I mean? Like, I know we've got  
17 185 million. I just want to hear that so we  
18 can compare.

19 MR. THAR: If you go more than  
20 two minutes, I won't vote for you.

21 MS. BOCHNOWSKI: That's right, I  
22 won't vote for you.

23 MR. KLINEMAN: We're ready for

1 Boyd. Mr. Thar will raise his right hand  
2 when you have 30 seconds and raise your left  
3 hand when the time is up.

4 MR. BOYD: Bill Boyd, Chairman of  
5 Boyd Gaming. I'd like to say to begin with  
6 that our project total cost would be 186  
7 million. That includes the 8 million that  
8 we have pledged to the city for the bypass  
9 to go around the city. On last Monday there  
10 were seven points that were mentioned, seven  
11 reasons why Boyd Gaming was the right choice  
12 for Lawrenceburg and for Indiana. I'd like  
13 to reiterate those seven reasons.

14 One, we have the endorsement of  
15 the city of Lawrenceburg. That means that  
16 we have been through the tough selection  
17 process, and that's that means that we can  
18 move forward quickly as far as the  
19 construction of our site is concerned.  
20 Also, our site works well. Our site is  
21 large enough to be a complete destination  
22 resort complex, entertainment complex. It's  
23 large enough for expansion, expansion would

1 be easy. There are a few environmental  
2 problems, and the traffic concern has been  
3 addressed. As we mentioned there's 8  
4 million dollars that we have pledged. The  
5 other 7 million dollars in our development  
6 agreement we gave to the city of  
7 Lawrenceburg, and that could be committed to  
8 finish the bypass which we understand would  
9 be under 15 million dollars. If it was not,  
10 we would be willing, if the city did not  
11 have that money available, we would be  
12 willing to fund the bypass completely for  
13 the total 15 million or whatever amount that  
14 was.

15 We think that our site is also  
16 large enough for expansion, and our project  
17 is right. We've been in developing for over  
18 20 years now, and we feel that we're in a  
19 position to develop a good first quality  
20 project, as I mentioned in my presentation.

21 MR. THAR: Times about up, five  
22 seconds.

23 MR. BOYD: Five seconds. We also



1 have the financial strength. We have the  
2 people to make the project work.

3 MR. THAR: That's it.

4 MR. BOYD: We are a family  
5 company and, lastly, we have the integrity.  
6 Thank you.

7 MR. KLINEMAN: Thank you. The  
8 next would be Indiana Gaming.

9 MR. LONG: Mr. Chairman, I'd like  
10 to reserve a minute for Mr. Hilbert, if Mr.  
11 Thar would be kind enough to let me know.

12 First and foremost our project  
13 would be in the area of 200 million dollars  
14 with the new rooms we will be building. The  
15 additional cost of the rooms we estimate  
16 would increase our project size to that. We  
17 can begin construction immediately behind  
18 the levee. We don't have to wait for  
19 permits for anything for construction for  
20 our permitted site.

21 As far as being able to expand, we  
22 have the additional acreage to expand.  
23 There's plenty of room to integrate

1           ourselves within the community so you can  
2           flow from the levee area right into the  
3           community. We have the experience in the  
4           riverboat gaming. We operate more  
5           riverboats than anyone in the country.  
6           Safety of passengers has to be a concern.  
7           We know how to do that effectively and very  
8           well. Financing is not an issue, the money  
9           is in the bank. There are millions of  
10          dollars in the bank, I'm sure, up here in  
11          Indiana. We can bring it home. We can  
12          bring it without a question. When it comes  
13          to the issue of environmental issues, we  
14          have no big issues to deal with because  
15          we're behind the levee. I'll yield to Mr.  
16          Hilbert.

17                       MR. HILBERT:   Well, Tom, never  
18                       has to yield to me, and that's really why we  
19                       selected to align ourselves with Argosy.  
20                       But I think commitment is what Indiana is  
21                       really looking for, and especially this  
22                       Commission. Consecro has been committed to  
23                       Indiana, will always be committed to

1 Indiana. Money is not an issue here. We've  
2 committed 72 million dollars to this  
3 project. We have 250 million that we could  
4 commit. The price and the cost of the  
5 additional rooms, and the only reason we had  
6 100 rooms instead of 300 was my desire to  
7 give other hotel operators an opportunity to  
8 share in the wealth. We've gone to 300, and  
9 I'll commit to you whatever the cost is,  
10 we'll stand behind it. Argosy's experience  
11 is second to none. They're the most  
12 experienced riverboat operator. Our  
13 financial strength, I think, is second to  
14 none as far as the applicants that you're  
15 considering. And you've got my commitment  
16 as CEO of Consecoco that we're behind the  
17 project.

18 MR. LIST: Mr. Chairman and  
19 Members of the Commission, Bob List from  
20 Boomtown. Let me say that none of us  
21 expected to still be here at this hour, let  
22 alone in this format. But let me thank you  
23 once again for the chance to be here. We

1 have a temporary site that nobody else has  
2 that is permitted and in place. When we say  
3 90 to 120 days, that is a safe number. We  
4 mean it. Once the permit is granted for a  
5 permanent site, we're ready to open at the  
6 temporary. And we're further along, and I  
7 think Mr. Thar confirmed that, the report  
8 said this, with our permitting for the  
9 permanent site than any other applicant.  
10 So, we've done our homework and we're ready  
11 to go.

12 I should also mention there's been  
13 a good deal of concern about traffic to our  
14 site and to the west side sites. I think  
15 it's worthy to mention that we have no  
16 wetlands. And the traffic, while it may be  
17 a problem, is not nearly the problem with  
18 the wetlands on the other side of the town  
19 or the access into that site outside the  
20 levee which is necessary.

21 We also mention the revenue  
22 sharing. We are the ones who initiated the  
23 concept of revenue sharing throughout the

1 county for 40,000 people. Nobody else is  
2 committed to that. It was our initiative  
3 that led to the revenue sharing on the part  
4 of the city, and that's the reason that we  
5 have the endorsement of the entire county  
6 and the townships and the cities throughout  
7 the area. We heard today, we're committed  
8 to the same infrastructure obligations as  
9 the other applicants for the city of  
10 Lawrenceburg. We, therefore, stand before  
11 you with a world class international company  
12 as a partner unparalleled. We respectfully  
13 ask for your confidence and your vote.

14 MR. KLINEMAN: I think we also  
15 requested a total project cost.

16 MR. LIST: One hundred and  
17 seventy-eight.

18 MR. KLINEMAN: Thank you. Okay.  
19 We need to entertain a motion to approve one  
20 or more of these applicants.

21 DR. ROSS: I move for Indiana  
22 Gaming.

23 MR. SUNDWICK: I'll second that.

1 MR. KLINEMAN: Okay. It's been  
2 moved and seconded to approve Indiana  
3 Gaming, all of those in favor, raise their  
4 right hand.

5 (Mr. Vowels, Dr. Ross and Mr.  
6 Sundwick so indicate.)

7 MR. KLINEMAN: Is there another  
8 motion?

9 MR. MILCAREK: I'd like to make a  
10 motion to nominate Boomtown.

11 MR. KLINEMAN: Is there a second  
12 to that motion?

13 MS. BOCHNOWSKI: I'll second.

14 MR. KLINEMAN: Okay. It's been  
15 moved and seconded. All of those in favor  
16 of Boomtown, raise their right hand.

17 (Mr. Klineman, Mr. Milcarek and  
18 Mr. Vowels so indicate.)

19 MR. KLINEMAN: Is there another  
20 motion?

21 MS. BOCHNOWSKI: I'll move that  
22 we --

23 MR. KLINEMAN: We can go back and

1 nominate one of the others or go forward,  
2 whatever you want to do. Does anybody want  
3 to put --

4 MS. BOCHNOWSKI: Give me a  
5 minute, or if somebody else wants to do it.

6 MR. VOWELS: My problem here is  
7 that they're all equal. I'm voting yes on  
8 all of them. I don't know if I should go  
9 away and come back later or what. I mean,  
10 here's what I see. I see you got Indiana  
11 Gaming which will have a relationship with  
12 this administration, but whether this  
13 administration changes January 1 or not, I  
14 don't know. So, it may mean nothing.

15 There's a bad relationship with  
16 S.E.S. Boomtown, but I liked the people. I  
17 liked the application. I look at Boyd and  
18 they look look the middle candidate, that  
19 maybe they should be the one. We also have  
20 the opportunity to take a look at them again  
21 in Hammond. They're going to be around  
22 another time. I see all of those pluses and  
23 I'm not looking at any negatives, and that's

1                   you're seeing my hand go up on all of these,  
2                   and it's not helping anybody.

3                   MR. KLINEMAN:     Okay.   Is there  
4                   another motion for anyone?

5                   MR. THAR:     Let me insert here a  
6                   kind of analogous situation where a jury is  
7                   hung, people have gone so far, the decision  
8                   needs to be made.   And generally it is let's  
9                   go back and discuss it, so I might recommend  
10                  that people lay out the pluses and minuses  
11                  they see about each of those companies.  
12                  With an open mind maybe somebody will feel  
13                  that there is something they've now heard  
14                  that may convince them that they could vote  
15                  for a company they haven't voted for.

16                  MS. BOCHNOWSKI:    I guess what I'm  
17                  looking for, I might be able to vote for  
18                  Indiana Gaming if I was convinced this is  
19                  enough property, somebody tell me that's a  
20                  big enough area.   If somebody can assure  
21                  with me with the wetland issues aren't a  
22                  problem inside of levee.   I can see the  
23                  benefit of an east side site.   I can see the



1 benefit of being close to the city so that  
2 the downtown gets some benefit. The west  
3 side, I mean, I was truly committed to the  
4 west side going into this because I don't  
5 want to bother that Oxbow area. I do not  
6 want to sell off my grandchildren's heritage  
7 for a gaming operation. I mean, I'm a  
8 Hoosier and I believe that's that important.  
9 If I felt really sure that putting it inside  
10 the levee would make those problems go away,  
11 but I'm not sure of that yet. And maybe  
12 somebody else tell me that that's --

13 MR. KLINEMAN: If it isn't  
14 specifically in the area of the Oxbow and  
15 the conservancy district, I guess the  
16 environmental questions would still exist  
17 are certainly them being inside of the  
18 levee.

19 MR. THAR: Just as a point, all  
20 applicants on the east side, regardless of  
21 who they are, have an impact on the  
22 wetlands. Indiana Gaming is inside the  
23 levee, therefore, theirs is going to be less

1           than that of Ameristar. What you have to go  
2           over the levee to get to the boat, you go  
3           over the levee in the conservancy district  
4           and you may be in wetlands.

5                   MR. KLINEMAN: But the amount of  
6           land-based development would be very small?

7                   MR. THAR: The amount of  
8           land-based development with Indiana Gaming,  
9           majority, probably 85 percent would be  
10          inside the levee. And outside the levee  
11          you're going to have just the walkway, the  
12          docking facility and the boat dock.

13                   MS. BOCHNOWSKI: I want the  
14          perfect answer here, and I think that  
15          Dearborn County does not provide us with  
16          that, unfortunately. But would I have your  
17          assurance -- I mean, gosh, I just want  
18          somebody to tell me that this isn't going to  
19          hurt this the Oxbow area. That's what I  
20          really need. I really need that. You know  
21          it, that's okay.

22                   MR. SUNDWICK: I don't think we  
23          can get assurances from those people. I

1 don't think they know enough. And I'm  
2 concerned about the same thing, certainly  
3 the district, I'm concerned about the  
4 community. You know, I don't know what we  
5 could do today, unless there is more  
6 testimony that we could hear from somebody,  
7 that's got to move somebody off the dime.  
8 That's all this is about, in my opinion.  
9 You can see this is a very difficult  
10 decision for all of us. This is not easy.  
11 So, you know, I don't know if there's  
12 anybody that has any additional information.

13 DR. ROSS: I just want to make  
14 one negative comment and that is that Boyd  
15 is a great company and seems to be level and  
16 there doesn't seem to be any way to get  
17 around it. But they do have another  
18 application in Hammond, and they have  
19 another shot at it. Nobody else does.

20 MR. KLINEMAN: Please hold the  
21 comments by ooh-ing and ah-ing or whatever  
22 down. We're trying to make a decision and  
23 trying to get out of here.

1                   Okay. Is there any way, any  
2 further discussion or somebody want to make  
3 a motion?

4                   MR. BOYD: May I make a  
5 statement, Mr. Chairman, to the Commission?

6                   MR. THAR: I would recommend no.  
7 We've already given people --

8                   MR. KLINEMAN: Yeah, I think  
9 we've heard everything we need to hear.  
10 Thank you, Mr. Boyd. We appreciate it.

11                  MS. BOCHNOWSKI: I think we know  
12 you want to be in this location. You're not  
13 trading this for Hammond, for the  
14 possibility of a Hammond.

15                  MR. THAR: I think it's probably  
16 fair to say that at this stage of the game  
17 regardless of what question is posed, we'll  
18 get the answer yes. So, I think you have to  
19 go back and take a look at the projects and  
20 what project is it. But you're going to  
21 have to feel it fits up with the financial  
22 integrity, reputation, gaming experience,  
23 destination resort which people are putting

1 on, whether or not the project is good,  
2 whether or not it's financially big enough,  
3 what are the amount of revenues to the state  
4 of Indiana and the region, whether or not  
5 speed in obtaining those revenues is a  
6 criteria, what extent the traffic issue  
7 overweighs the environmental issue, to what  
8 extent the environmental issue overweighs  
9 the traffic issue, to what extent the  
10 revenue sharing impacts, to what extent the  
11 city endorsements and non-endorsements, good  
12 development agreement, bad development  
13 agreement impacts on considerations here.  
14 Whether or not it came down to it that all  
15 of these things are equal, whether or not  
16 something this one company is going to do a  
17 better job than another, who is that going  
18 to be. It's a tough decision.

19 MR. KLINEMAN: Do I hear a  
20 motion? If I don't hear a motion, I'm going  
21 to ask the permission of the group to make a  
22 motion myself. Is there a motion to be  
23 made? Do I have your consent to make a

1 motion myself? I would move the approval of  
2 Indiana Gaming. Is there a second?

3 MR. SUNDWICK: I'll second it.


4 MR. KLINEMAN: It's been moved  
5 and seconded. All of those in favor, raise  
6 your right hand.

7 (Mr. Vowels, Dr. Ross, Mr.  
8 Klineman, Mr. Sundwick and Mr. Milcarek so  
9 indicate.)

10 MR. KLINEMAN: The Chair rules  
11 that the certificate of suitability would be  
12 issued to Indiana Gaming.

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

I, Bobette Jo Bedinger, Stenographic Reporter within and for the County of Marion, State of Indiana, do hereby certify that on the 30th day of June, 1995, I reported the foregoing Public Meeting; and that the transcript is a full, true and correct transcript made from my stenograph notes.

  
Bobette Jo Bedinger,  
Residing in Marion County,  
Indiana

My Commission Expires:

November 6, 1997